Managing Change in Organizations Prof. K.B.L Srivastava Department of Humanities and Social Sciences Indian Institute of Technology, Kharagpur

Lecture – 34 Learning Organization and Change

So, we are moving to the next session, in the previous session we talked about how organization learning leads to improvement in the knowledge base of the people, improve their capabilities for the change and how it helps in improving your product processes and technology which could be part of the change.

So, the focus is not only on innovation and change, but continuous improvement and also on developing a knowledge management system. Now, we are moving from a different organizational learning to a different concept that is known as Learning Organization. So, when we were talking about learning organization, this could be considered as an outcome, an organization become a learning organization only when it is able to continuously improve and renovate itself.

It means that if an organization is able to continuously change and adopt itself by bringing about new products, new services, new processes in their organization then we can say that it becomes a learning organization. So, organizational through this process of organizational learning organizations are trying to become learning organizations.

So, once they become non learning organization it means that they are more productive, more competitive, they perform well right and that is the concept of learning organization. It means learning organizations are those organizations which continuously bring about change in their product, processes and technology.

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Learning as Innovation/ Continuous improvement			
	TIMEX Mahindra and Mahindra Milton Plastics	HMT Nelco Remington	
	Eicher motors Modi xerox 3M	FCI	
We shall foster a spirit of entrepreneurial leadership and be a vibrant learning organization- mission statement of L&T We are a learning organization. The moment that someone says that he has stopped learning, that means there is trouble- Joseph Abraham, TCS Learning is not a luxury. It's how companies discover their future- Arie, P. D. Geus, Shell			
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So, based on this assumption we move further to discuss about the concept of learning organization right. So, before we talk about learning organizations, let us discuss about what learning is? Right, learning become something that is very-very important and it is supposed to bring about a change in your behavior or performance is not it. So, if you learn something it means that it is going to improve something, maybe your behaviour and performance is not it.

So, you might have learnt a new way of doing something, you have learnt to see that how learn improve your behavior or performance right. Now, when we are talking about learning as innovation or continuous improvement in behaviour and performance, in the context of organization it is very-very important, because those organizations which are not able to learn in the sense that they are not able to innovate and improve their performance in terms of their products and processes or services are not going to survive tomorrow.

Now, if you look at some of the examples that I have given here right, in the if you look at the examples on the left side and the examples of the right side, it would be clear to you to say that these organizations could be considered at any point of time not today, maybe tomorrow, they may remain a learning organizations are going to remain as learning organizations. Now, if you compare say TIMEX with HMT right, HMT did not go for innovation in their products TIMEX went for it, Mahindra and Mahindra went for lot of changes in their product and processes and services.

Similarly, if you look at Milton plastics, they have gone with lot of products, were actually products that they brought in EICHER motors; they are bringing about different kind of products then Modi Xerox? How Xerox has invented? Different kind of things, Xerox is a company which has collaborated with Modi, then 3M which most one of the most innovative company in the world even the highest number of the product.

So, if you look at this left side companies they could be considered as learning organizations, because they have gone for innovations and continuous improvement in their product and processes. While on the other hand, if you look at the light hand companies most of these companies are either closed or on the verge of closure or getting some support from the say government to survive right. So, whether it is HMT, whether it is NELCO or Remington or FCI most of them are in bad shapes. It means that they have not been able to innovate in terms of their product and processes and that is why they could not be considered as learning organizations.

Now, here to support and substantiate that points, I have used three different statements where stay different companies, which basically supports the idea of learning organizations. Now, if you look at the mission statement of L and T it says that we shall foster the spirit of its entrepreneurial leadership and be a vibrant learning organizations.

When you say that we want to be a vibrant learning organization, the idea here is that you want to be an organizations which is going to continuously improve, innovate and improve its products and services. Now, if you look at TCS, it says that we are a learning organization right. The moment someone says that he has stopped learning, it means that there is a trouble, it means that the organization is going to be in trouble, if it does not learn right. If it does not learn then it kind of bring about change or it cannot bring about any change in the product and processes right

Now, if you look at shell they say that yes, learning is not a luxury today, it has become a competitive advantage and this is how your companies are going to discover their future. So, if companies stop learning today, then they will not have a future. Now, if you look at these statements it is very clear, what exactly learning organizations mean ok. So, further we will define what learning organization says, but the idea comes from these examples

and these statements suggests that learning organizations are those organizations, which continuously innovate and go for continuous improvement in their product and services to achieve competitive advantage in the organization right.

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So, we move further and we talk about learning organizations ok. Now, if you look at the definition that is given by Pedler, he says that; learning company is an organization which facilitates learning of all its members and transforms them. It means a learning organization cannot become a learning organization unless if people have developed the capabilities to learn and make use of that learning to improve the product and processes.

Now, there is another definition which has come from Peter Senge and he says that a model of a strategic change right, where you bring about change in your product processes. So, that could be more transformational changes right where everyone is engaged in identifying and solving problems. So, everybody has the capability to bring about a change right. How continuously changing, experimenting and improving and thus increasing its capacity to grow and achieve its purpose and how it is possible to product and processes that you bring in so, services that you offer the technology that you bring in right.

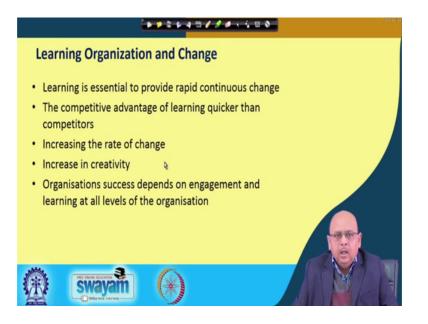
So, most of these learning organizations example that I had given earlier, if you remember, they are able to go for it. It means that they have been statistically designed, what kind of changes they need to bring in order to achieve competitive advantages in

the market and that is why they, you will find that most of these companies are very-very successful compared to these right hand companies, which does not, which did not go for innovations, which did not any innovation.

The latest example that I can give you say automobile industries, look at Hindustan motors, what is happening there? The single product that they have been selling five years is now closed. The company is closed. Look at some other competitors like Maruti or other multinational companies, which is there, they have been trying to innovate, come out with new products right to ensure that they are able to remain viable in the market.

So, the idea is here is that through this learning, if you are not able to bring about an innovation and improvement in your product processes and change your, yourself you will not be able to succeed tomorrow and that is why we talk about learning organizations.

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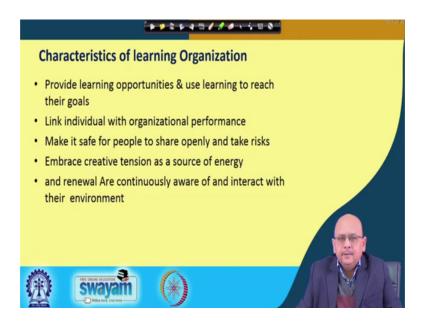


Moving further, if when we are trying to relate learning organizations with the change so, the first thing is that yes, any kind of change would require some learning. So, learning is essential you can say to provide a rapid continuous change so, and that is why we talk about learning. Another statement is that yes, it is going to provide you some kind of competitive advantage compared to your competitors, because if you are learning on a regular basis and bringing about change then you achieve better competitive, the advantage right and learning organizations basically, increase the rate of the change.

So, those organizations they quickly bring out new product, new services, they offer new services, they come out with new technology so, all this is possible, because of the learning ok. So, it is going to increase the rate of the change and it is also increase the creativity, because people are capable enough to those learning process. They have learnt those capabilities or competencies, which is going to increase their capacities and that is how it results in change right.

So, the success of the organization depends upon what engagement and learning a cross levels, cross departments. You can say vertically and horizontally to ensure that this learning is used and people are encouraged to allow and use that learning to be creative to bring about a change in the organization and that is how we are able to link learning organizations with the change.

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Moving further what are the characteristics of the learning organizations? See, if you are working in an organization which is could be considered as a learning organization then that case it provides a opportunities and use your learning to achieve your goals. It means that you have a structural system in place, which provides you enough opportunity to use your a skills your competencies to achieve the goals and objectives that you have, the next point is that it link individual with organizational performance.

So, you identify your goals and objectives and see that in what way your goals and objectives are going to contribute, to the organizational performance. The third point is that make it safe for people to share openly and take risks. It means any kind of learning organizations, allow people to go for risks, some kind of risk, not if very high level of risk, but at least moderate level or risk so, that they are able to be more creative right.

So, you allow them to take risk and ask them to share their knowledge and skill base with others. So, that collectively you can be more creative and that is provided by any kind of organizations, which could be considered as learning right. It also embraces creative tensions as a source of energy.

So, you try to create some kind of anxiety among the people to come out or to bring about the best in them right. So, it could also be considered as a source of energy for them right and also renewal or continuously aware of and interaction with the environment. So, those who are learning organizations, they know in what kind of environment they are working, how they need to interact with this environment and what kind of changes they need to bring about in the organization in order to achieve competitive advantage right.

So, now if you look at this characteristics of the learning organizations, it provides what opportunities, allow you to set your goals and objectives, you allow you to take risk create some tension. So, that you get energized and also allow you to interact with the environment right so, that you are able to work for the organization.

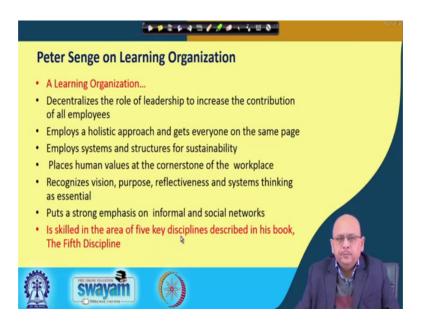
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Now, what are the activities that you include as a part of the learning organization right? So, government talks about 5 main learning activities; systematic problem solving, experimentation, learning from past experiences, learning from best practices of other people, other organizations also and transferring knowledge quickly and effectively throughout the organization.

Now, we will take up each of these cases separately to see that how learning organizations use these activities in their organizations and then we have move further to discuss about another important contribution from Peter Senge on learning organization.

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So, now, if you look at this five points; we have already talked most about, talked about most of these points like experimentation learning through past experiences and looking to the best practices or transferring knowledge. Now, all these are part of the characteristics of what you call a learning organization right.

So, in learning organization what happens; people systematically try to solve the problems. They are allowed to experiment with new ideas, new approaches, they learn from the past experiences even if they have experience say fellows; they try to learn from them and see that how they can make use of that experience to build further then they also look at the best practices, which other companies or other people have adopted and how it could utilized and used in their organization and how knowledge could be transferred in the organizations for more productive purposes.

So, moving further what we are going to discuss next is very important concept which is given by Peter Senge on learning organizations. So, he says he defines a learning organization as where the role of leadership is decentralized. It means everybody is a leader in itself, it means you have empowered people to decide about what they are going to do and how they do it right.

This is what decentralization of leadership is ok. So, that everybody is able to contribute to the maximum, another point is that you adopt a more holistic approach and make sure

that everybody is involved in the process, who do not think individually or do not think in terms of departments or individuals, but you think about the entire organization.

So, everybody thinks about the entire organization, then you have systems and structures which facilitate effective performance and the most important thing, that human values is at the cornerstone of the behavior workplace. So, you focus more on individual and you basically, pay more respect and dignity to the people in the organization and that is how the entire work place is built and then you recognize vision, purpose reflectiveness and system thinking is very essential.

So, this these are the characteristics you can say of learning organizations. So, you think as a system, you reflect upon that you look at the purpose that you need to achieve, you see what is your vision and accordingly you work ok. So, these are the characteristics of a learning organization which has been discussed by Peter Senge.

Now, you will see that what are the main elements of learning organization right? So, when we are going to look at main elements, he has talked about five key disciplines in his book fifth discipline. So, what we are going to talk about especially, related to the learning organization that what are these five disciplines, which he has discussed in his book on fifth discipline which is known as fifth discipline the art and practice of learning organization.

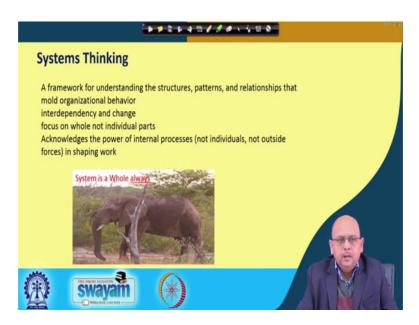


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Now, this these are the five disciplines you can say personal mastery, mental models, shared vision, team learning and systems thinking this is what he say is the five disciplines of learning organization. Now, let us discuss one by one about each of them and how this could be related with the learning organizations right.

So, he says that these are the five different elements right starting with the systems thinking personal mastery mental models shared vision and team learning. So, in any learning organization what he say that you think as a whole you ensure that capability of the people is there the kind of framework that people use the mental models say images that they have, they have shared vision and they work as a team right. So, this could be the characteristics of the learning organizations which we are going to discuss further ok.

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So, look at the first point that is what we call systems thinking right. So, when we are talking about systems thinking, it provides you a framework to understand the structure pattern and the relationship which is going to mold the behavior of the people in the organization. So, how people are interacting relating in what way they are say dependent on each other right.

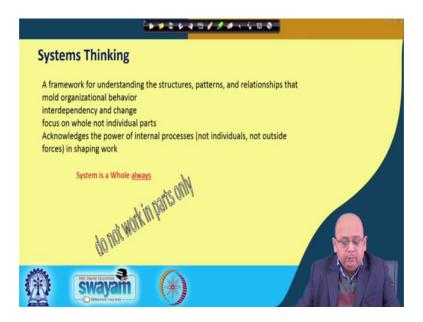
So, it talks about the structure patterns and the relationship among the people in the organization right. It does not talk about the individual parts, it does not talk about the departments as such it does not talk about the individuals in the department as such, but

it talks about the whole organization. So, the focus is on the entire organization not about a individual or a particular group or a particular department or unit right.

So, it is basically depends upon the kind of processes that people adopt within the organization. So, what kind of systems and processes are used and how these processes and systems could be integrated together to think in a more holistic way and that is what we call a systems thinking perspective.

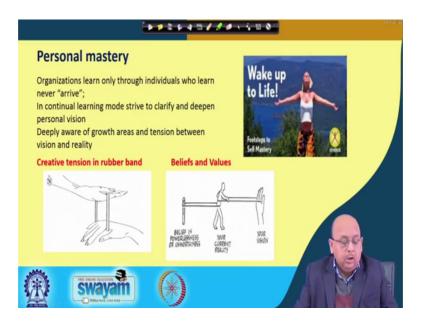
Now, this example; if you look at it, you look at you can see here is an elephant right. So, you are going to perceive this as a whole not as a body parts like; you if you somebody is looking at this or somebody is looking at this, somebody is looking at this so, their perception could be different right.

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So, it is very-very important to ensure that you are going to look at the entire elephant in its a holistic way not, you are not going to work in parts, because if you are going to work in part then it is not good, because all these parts are interrelated and interdependent. So, you need to look at the entire organization or the entire thing.

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Now, coming to the second characteristics, which is known as personal mastery, personal mastery is basically related to the capabilities, the learning, the knowledge and skill of the people. It is a very important factor for learning ok. An organization cannot be learning organizations, if people the people in that organization are not competent enough so, this is the backbone, you can say right.

Now, when you are talking about personal mastery, it is related to what it means that, you have developed the competencies, which is required for you to grow and develop right. Now, if you look at these three examples, what does this show ok, this shows that she is trying to develop mastery or expertize in a particular area right. Now, if you look at this picture what you see that you need to develop your capabilities to the extent possible. So, when we say creative tension in rubber band, what does it means?

So, this is a rubber band right, if you are going to a stretch it you need to stretch it to a point only, because if you stretch it beyond a point, what will happen? It is going to breakdown all right. So, you need to create tension your rubber band; that means, that you need to create tension and activate your mind and energy to the level. So, that you are able to reach to the maximum level of your competencies right.

So, it is very-very important to a stress yourself, to the extent possible to improve your competence, in the domain in which you are working right and that is why this is developed. It means this tension is to be developed so, that you are able to motivate

yourself to a stretch your learning to a point, but only up to a point, because beyond that point what will happen, it might break down right.

So, you need to optimize your competence that is very-very important in addition to that you also focus on your beliefs and values. If you look at this picture, what does this show? It means as individual, this is what you want to achieve, this is what your goal is right and you want to move further, this is where you are, this is your current reality right.

Now, it depends upon your beliefs and values that is your power and worthless that is the extent to which you think that you believe in yourself, you have self confidence in achieving the goals and objectives right. So, you move further to achieve and it depends upon whether, you are able to move further or not, it depends upon what the power that you have and your worth it means whether you are confident, you will be able to achieve your goal depending upon the competencies that you have.

So, if you have the competencies in terms of knowledge, skill and experience probably you will be able to realize your goal. So, the first stage what is important is to increase your competencies and then make use of this competencies to achieve goals and objectives that you have set for yourself and that is where you are able to realize your goals and objectives right. So, this is what we call the personal mastery.

A discipline for shaping these personal pictures of the world works. A discipline for shaping these personal pictures of the world and understanding how they affect individual action Can be consciously examined and shaped. Honest and critical scrutiny of entrenched mental models. Transcend mental models in order for change to take place.

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Moving to the next part that is what we call mental models, this is the frameworks. Now, you can see a brain here right. So, why this image is formed? We will discuss about it, but it basically talks about the kind of image that we have developed or the mental models that we have developed that how people work right.

So, this is going to shape your ideas, your attitude and behavior about the people their working right. So, it is very-very important that the kind of frameworks, mental models that you have developed, you need to bring about a change in that right. So, now, if you look at this shows what? If you look at this cartoon it shows this is where you are and this is the other people are there right. Now, your attitude and perception and other peoples attitude and perceptions.

So, your attitude and perception is going to decide, how you are going to think about other person right, but you also need to bring about a change in your mental image to clearly think about the other person right. So, you need to bring about a change or transcend into your mental model so, that change happens, because if you are confined to yourself your attitude and perception you do not open to yourself right. It will be very difficult for you to understand the person better so, you need to come out of your own personal confinement, where you are right.

So, do not judge other people just by your perception, your (Refer Time: 23:53), your judgements, but look outside how other people are thinking about them and then make use of that knowledge. It means that you need to open up to experiences, get feedback from other people and that is how you are going to change your mental models.

So, openness to experience, feedback basically helps you to bring about a change in your attitude and perception, so that your perception and attitude of other people gets changed and that is how your mental image of how people work is going to change. So, these and the kind of mental image is that you are formed need to be changed based on two factors, that is openness to experience and the feedback that you receive.

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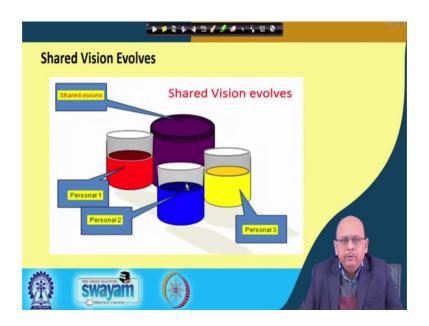


Third factor shared vision, if you look at this picture, this clearly shows the kind of vision that they are sharing it means they are trying to find and think about something right. It means that you are able to develop a corrective picture of the future that you are looking forward to right.

So, in when an organizational context when you are going to talk about change this might happen, that what kind of picture you are looking forward to right and where everybody is going to share the similar kind of picture or not right. So, you need to ensure that you are connected and become a part of the larger purpose, which is required by the organization.

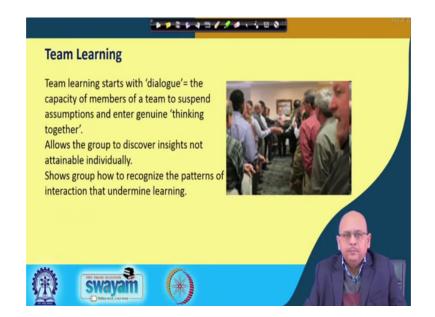
So, suppose organization is going to think about a particular change that it wants to bring out, whether all the persons in the organizations is thinking unitarily in the same direction or their vision is fully aligned with each other or it is different. So, shared vision is always good, because if you look at various departments they might think independently, but when there thinking combines, together, it is what we know as shared vision that is very-very important ok.

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Now, moving this is what we called shared vision ok. These are the different individuals, what their thinking is and when these thinking's are combined together its collective vision develops. This is what we call shared vision and that is how shared vision comes out.

So, shared vision is very very important, because that is how people bind themselves together, they think alike right and also it gives ins to a culture which is very-very strong and that the helps you to develop norms and values related to the organization as well.



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Moving further the fifth concept that he talks about is team learning, this is very-very important, which is nothing else, but the capacity of the people to work together in a team right and it is possible only when people are going to work in a team. Now, if you look at this is shows what whether people are going to work in a team or not. So, there could be apprehensions right, there could be say tensions, there could be lot of issues related to ego and working with together ok.

Now, the group has to discover that how they can work together right, because when they are going to work together probably, they will be able to achieve more right. So, it is very-very important that you are going to learn how to work effectively as a team and contribute right and that basically gives idea of what you call thinking together right. So, this is the fifth point that Peter Senge has talked about.

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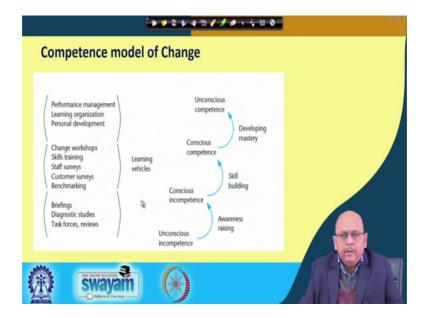
So, he talked about five major points or five major elements of what you call learning organizations into for, in his book fifth discipline. So, what are the facilitators which are important for an organizations to become learning organizations. These are there four major factors which are important for an organization to become a learning organization that is supportive leadership. This is very-very important, the leaders must have a clear vision and goal right.

They should act as a role model, then you need to have a culture of continuous improvement; that means, that organizations are regularly going for incremental change

on a regular basis. It means the kind of culture, cultural values which people have is aligned with their beliefs and values ok. It is linked with the incentives and then learning structure is defined. It means, the structure is aligned to support organizational learning to ensure that roles and responsibilities for capturing, distilling, applying and sharing knowledge.

It means that it helps you to not only capture, but also share and make use of knowledge through networks and co-ordinations and finally, you have intuitive knowledge processes right. Organizational learning processes we have already talked about right. How you set your learning agenda, how it captures display, apply and share knowledge and what kind of platform technological platform, because most of the knowledge management systems have an IT platform, IT based platforms right.

So, you can you make use of IT based platform for acquiring, capturing, disseminating, sharing and making use of that knowledge right. So, these are the four elements you can say of learning organizations which facilitates and organizations to become learning organizations. So, what they require; a supportive leadership, a culture of continuous improvement right, you have a structure of which is very-very good so, a structure facilitates and also have a knowledge management system in an organizations.



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Now, moving further what we are going to discuss is the competence model for change. When we are talking about the competence model, a remember we talked about developing competence, because the competence is very much required if you want to bring about a change in the organization right, because competence help you to do what three important things; that is developing mastery, building of a skills and raising or awareness.

Now, if you look at this competence model of change it is very-very relevant in case of learning organizations, because the basic idea in learning organization is what that you are thinking about developing the capabilities of the people through which they can innovate and bring about a change in the product, processes and services of the technology of the organization.

Now, it is possible only if the people have the competencies right and if you look at these elements of the change, they are going to support it right. So, if you look at this competence model of change, it talks about certain learning vehicles through which you are able to achieve it right. What are these learning vehicles? You should have a performance management system, which should be linked with the reward, which is very-very important.

Then you must be a learning organizations which continuously improve and innovate yourself and there must be an opportunity for personal development. So, people are allowed to grow and develop themselves, they are allowed to make use of the knowledges key base to achieve their stated objectives right. Then change workshops bring about workshops, which talks about change and what kind of change need to brought in the organizations. You need to train people to improve their knowledge and skill base.

You also conduct surveys of the staff to find out the competency based of the people in the organizations. You can go for competency mapping exercises to find out what is the competency level of the people and what kind of training would be required for them to improve their competencies, then you can also go for customer surveys to identify the kind of competence is that your people have and then benchmarking, based practices identifying what are the standards, what are the best practices ok.

So, all these are going to act as learning vehicles and finally, the briefings going for diagnosis task forces reviews. All this is required, because that is how you are able to monitor and control what is happening in the organization right, but for all of them you

need to develop those competencies through which people are able to achieve these stated objectives.

Now, through this learning objectives, you can see what kind of competence is developed, two kind of competence which is categorized a unconscious and conscious competence. Unconscious means you are not aware about it, conscious about which you are aware about it. So, you develop mastery is a part of that you know about it and part of that you may not be able to know about it right. So, when you are talking about conscious competence, it means that you are aware about it un counts competence, you may not be along it, but you might be having it.

So, the idea is through this learning vehicles you are able to explore those competencies which are hidden from you. So, that you become aware about it right and then you are able to develop those a skills through these things that is workshops, a skill training surveys, benchmarking based practices, this helps you to develop your skill. So, you move from unconscious to conscious and again when we are talking about these things that helps you to develop your from conscious to unconscious competence, it means unconscious competence that is hidden from the overview it means you have it, but you need to explore it.

This could be said to be what is explicit and what is implicit. So, this is implicit, but this actually helps you to move from implicit to explicit. So, awareness raising moving to skill building, develop your skills then you develop mastery. So, you if you think about it, you can also move from this place to this place and then move to this place. So, starting with awareness moving from unconscious to conscious, then you builds up your skills which helps you to develop your competencies ok, but again the part of that become implicit.

It remains with you and that is why you need some of these elements like leadership, support, knowledge, management systems to ensure that the learning, that you have is utilized for productive purposes right. So, with this competence model we want to complete this. So, what we have discussed here is how learning organizations help in achieving the goals and objectives of the organization through continuous improvements and innovation.

Thank you very much.