EXPLORING THE DYNAMICS CHARACTERISTICS OF ORGANIZATIONAL LEARNING AND THE ENABLERS FOR BUSINESS SUCCESS: A SINGLE CASE STUDY

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Abstract: This research contributes in the study of organizational learning, by focusing on both cognitive and behavioral enablers, as well as a motivation stimulated by the gap between the perceived importance of goals and the goals actually set. Both cognitive and behavioral enablers are shown, through statistical analysis and interviews-based data analysis, to significantly influence the levels of single-loop and double-loop organizational learning. This conforms to Garvin (2000), who states that if an entity does not purposefully modify its behavior to reflect new knowledge and insight, it does not qualify as a learning organization. In note passing, single-loop learning refers to making simple adaptations through corrective actions without attempting in questioning the assumptions of the issues at hand (Aryris and Schon, 1978), whereas double-loop learning involves reframing, that is, learning to see things in totally new ways (Aryris and Schon, 1978). A significant feature discovered in this research is that, to succeed in implementing organizational learning practices, both enablers and organizational learning must acknowledge their dynamic characteristics, and thus appropriate motivation and facilitation mechanisms must be established, including exploiting the multi-stakeholder value co-creation processes, to help foster the so-called socio-cognitive advantages. To be specific, this case organization shows that organizational learning is inseparable from the employee roles. This conforms to the theme highlighted in the experiential learning theory of Kolb (1984). In addition, this research highlights another aspect of dynamics of the learning in that problems solving and thus learning are best learned without postponement – that is, when the memory is still fresh, which is a feature of systems dynamics in, for instance, engineering and mathematical studies.

Introduction: Literature Review: In this research a case organization study is employed, with the aim to study the dynamics characteristics of organizational learning and enabling drivers, to help improve organizational performance. As Kolb (1984) advocates and as it is shown in this research, organizational learning is actually a part of the normal routine, and thus connotes that the so-called "patterns of behaviors" in describing organizational strategy (Mintzberg et al. 1998). This is also stressed in Slack and Lewis (2008) who advocate operational focus as key driving force for competitive advantage. Nevertheless, organizations, including researchers, may not easily see this subtleness, and thus it motivated Lonergan (1957/1992) to study the nature of a "knowing organization," in which he introduces consciousness. That is, organization must train itself to be conscious of its experiences (empirical field), intellectual (the effort to understand experience), the contents of acts of understanding, and deliberation to act.

In short, the challenge is to get the employees of the organization to see new opportunities (i.e. where to improve, including changing the views, as in double-loop organizational learning) (cf. Black and Gregersen, 2003, p. 114), and uses the opportunities searching to induce organizational learning and resource exploitation (Timmons, 1999).

Thus organizational learning is the thematic focus of this research, as it has been reckoned to be effective in transforming organizations (Kuo, 2011). In particular, the cognitive and behavioral characteristics of organizational learning will be focused upon (cf. Kolb, 1984). As an effective learning may involve many challenges, i.e. sticking to defensive routines (Argyris, 1991), or environment and leadership commitment (Pham and Swierczek, 2006), this research establishes to study the enablers that induce organizational learning, and thus performance.

Research Method: This research employs a mixed method by focusing on interviews, of 10 managers, to provide rich picture of explanation of the theoretical findings, and also as guide for survey-based validation. The interviews were conducted based on semi-structured protocol format, and this allows the subtleness of the phenomena under study to be revealed, gradually. The process takes 2-3 months in duration, as theoretical saturation of this nature takes time. The survey-based data analysis is based on 86 data collected, at managerial, supervisory and workers' perceptions levels.

The case organization is a leading production-oriented exporting public-listed organization in Thailand, which actively relies on quality conformances in HACCP, GMP and various other customer-oriented versions of quality management system, and new product innovations and cost-effective value-oriented product differentiations to gain competitive advantage in the industry. This single case research study arose in the period of strategic and operational transformations of the organization, which involves multi-stakeholder value co-creation, i.e. customers and suppliers, and active

organizational learning process. As a result, the researcher is capable to discover the many subtleness of the learning phenomena and thus concludes the analytical generalizability nature of the research outcome for the benefits of the academic and practitioner communities.

Data Analysis and Discussion: The multiple regression analysis, as a general confirmation of the interviews, shows the significant roles of single-loop and double-loop learning efforts of the organization in the perceived performances of the organization:

- Single-loop learning – i.e. company takes immediate actions to reduce performance gaps, KPIs are used for continuous improvement in business processes, company knows what their values are and thus performance is focused on realizing those values, company generally follows the same routine procedures and rules even when actions fail to meet the targets.
- Double-loop learning – i.e. company constantly challenges its operating assumptions, goals and types of KPIs, the actions on KPIs enable activities and processes to be streamlined or simplified, company provides more empowerment and expansion of job scopes when it sees that one delivers performance as expected, the actions on KPIs prompt the employees to think the way work is done and thus enables them to reorganize strategies and action plans, and every KPI is monitored and controlled based on the PDCA (plan-do-check-act) cycle of problem-solving at the root-cause level.
- Perceived success is averaging the perceived success on various perspectives, i.e. financial (annual earnings, ROA, cost reduction), customer (market share, customer satisfaction, customer retention), operational (cycle time, productivity, safety), innovation (new product development, development cycle time), employee (turnover, employee satisfaction, workforce capability), supplier (on-time delivery, quality raw materials, infrastructural supports), environment (certification), quality (defect rates, quality awards) and community (public image, community involvement).

Both single-loop and double-loop organizational learning are shown to be stimulated by the perceived gaps between the perceived importance of the KPIs to long-term success and the extent strategic goals are set for the KPIs, as well as the behavioral and causative characteristics embedded in the performance measurement system, shown as:

DLL = 0.2222 Cognitive and behavioral enablers of OL – 0.593 Gap between perceived long-term importance and the actual goal set, with R^2 = 0.585.

SLL = 0.461 Cognitive and behavioral enablers of OL – 0.295 Gap between perceived long-term importance and the actual goal set, with R^2 = 0.525.

Perceived success of the organization = 0.440 DLL + 0.286 SLL, with R^2 = 0.447.

The behavioral enabler is also confirmed in the qualitative interviews, as evidenced below:

"Subordinate attitude tends to follow the leader …. Unless the habit of discipline is built, it is impossible to have a good performance control, and discipline needs the leader as model."

"Culture influences a certain degree of similarity in our behaviors i.e. humble and respectful of each other."

"Without a leader, it is hard to have an attractive environment to perform. We have corrected the unfavorable atmosphere of working caused by ineffective leadership behavior."

"By building behaviors to search for root causes and go an extra mile, we have avoided solving problem on surface."

Apparently it is important to implant employees' commitment to guide their behaviors favorable for higher-level organizational learning. As discussed in Rashid et al. (2003), commitment is a psychological state that characterizes the employees' relationship with the organization, and in this case organization, the relationship is task-oriented, fostered via, for example, leadership and culture, which results in behavioral intentions (Foote et al. 2005) and actual works performed.

More importantly, behaviors, as enablers, must be gradually mastered, which a right stimulating working environment is of great assistance. Moore (2007) calls such a strategic focus a flywheel effect. Few managers reiterated this perspective as follows:

"Hands-on is criteria for promotion. We found out that without hands-on competence, our employees may not be able to notice vital information and thus not able to suggest right solutions, or interpret wrongly the circumstances, which may cause conflicts."

"Behavioral reinforcement takes time. For instance, we try to install a color-coding quality control system in our raw materials section, but our employees keep on falling back to old habits – that is, with unreliable judgment. Actually, this color-coding system allows us to further improvements in our purchases, farm contracting and suggestions for downstream production, and even customer partnership."

Thus, whether it is purported for cognitive or behavioral development, the process is dynamic and takes time to cause effect to be able to help an organization to achieve its set goals:

"We have seen our staff now gradually becoming more motivated than before, and thus, they are more willing to challenge ahead … Really, attitude is a time consuming development process."

Cognitive enabler is also playing significant role in influencing both single-loop and double-loop

organizational learning. Cognition involves the employees to use inductive and deductive, including innovative, synthesis, analysis, evaluative, and suggestive ability, to continue to improve organizational performance. In this process, the employees must ensure the cognitive ability is evidenced in the ability to control and improve performances, for instance, as evidenced by few managers as follows:

"We consider the ability to control a critical bottleneck, and a stumbling block for performance and management. Without it, not only system fails to perform to better level, but we will waste energy troubleshooting rather than monitoring for other ways to improve the process or system."

"Our performance monitoring responsibilities are aligned to our company's strategies."

"Our organization has recently requested every manager to review the job descriptions of the supervisors and workforces, to ensure they reflect expectations and the ability to improve work performance, and contribute to meet quality expectations."

"We have constant meetings, with our employees, and sometimes customers and suppliers, to discuss our performances, such as KPIs (Key Performance Indicators)."

"We not only focus on conformance audits, but also we have tried to learn how to conduct performance audits. This is harder as we need to think deeper into what we do, cost-effectively and for a clear purpose."

Clearly, the aforementioned are the cognitive mechanisms the organization installed, from different angles, to enable organizational learning, for instance in job descriptions, meetings arrangement and dialogues with customers and suppliers, and conformance and performance oriented audits.

Both cognitive and behavioral engagements, as enablers, also need the supports of the management, and employees should see these as operative routines in their roles, for instance:

"Each time we see a performance variance, in production floor, in our purchase, or strategy, we engage in PDCA, DMAIC processes to get to the root causes and resolve the issues that help our overall business picture, guided by the strategy maps and balanced scorecard system in our organization."

The themes stressed on both single-loop and double-loop learning strategically and correctly describe the characteristics of the transformative works of the case organization.

A careful, iterative analysis of the qualitative interview scripts indicate that both types of learning, single-loop and double-loop, are indispensable and inseparable, and tend to be blended in a simple learning framework that is normally known in the ISO-certified organizations and production floors, known as PDCA (Plan-Do-Check-Act) and DMAIC (Define-Measure-Act-Improve-Control). The organization engages in this learning process to attempt, for instance, to study the standards, to unlearn the conventional ways of doing, to gain the ability to control the process to meet expectation, as evidenced:

"Through sharing of our understanding, the PDCA platform allows us to know where and what the standards of operations are. This process involves unlearning to better perform."

"PDCA is in our ISO 9001 procedure, and we use it to help us ensure we can control what we are responsible, i.e. in our cleaning program, purchasing, production, and even waste water treatments. But, DMAIC has another advantage, to help us uncover the variables that we may miss."

The case organization also learns that learning should not be bounded at the organizational compound, but be extended to involve auditors, suppliers and customers.

"Auditors point out the areas of non-conformance which actually are caused by the attitudes, and thus bring to the management attention, to develop cultural campaign, rewards and PDCA transformation at the unit operations level."

"Our suppliers and customers sometimes co-involve with us for a period of time, in co-improving quality of raw materials and products, including traceability system and feedback system, and through this process, we not only build trust and thus revenue, but it has significantly improved our organizational competencies in new product development and productions."

The case organization also realizes that organizational learning process is also time consuming, just like the enablers, and thus when the case organization identifies the use of HRD/HRM mechanisms that embed appropriate motivation and facilitations, through time, the cognitive and behavioral abilities of organizational learning can be effectively developed. In other words, a significant feature discovered in this research is that, to succeed in implementing organizational learning practices, both enablers and organizational learning must acknowledge their dynamic characteristics, and thus appropriate motivation and facilitation mechanisms must be established, including exploiting the multi-stakeholder value co-creation processes, to help foster the so-called socio-cognitive advantages.

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without postponement – that is, when the memory is still fresh, as evidenced below:

"We have learned a lesson – that is, feedback, used for solving a problem at hand, is best when the memory of occurrence is still fresh, because it connotes the rich picture, fresh picture, and thus can better stimulate brainstorming and discussions. This understanding helps us to better exploit PDCA and improve our work practices."

Challenging employees at the cognitive level is important and the case organization shows that this must also be implemented as a role of the manager, for instance:

"In our factory we run using forms recording, and measures through eyes. But when measures are for record sake, then nothing gets learned. Thus, we train our employees and managers to understand the rationale for the measurement. We also challenge each other to look for causes beyond our departmental section."

Conclusion: Based on a mixed research method, this research has clearly shown the significant roles of both single-loop and double-loop organizational learning. In particular, the dynamic characteristics of organizational learning are presented, manifested in terms of fresh memory needed to resolve problems effectively, the time allowance for an effective learning and unlearning, and the multi-myriad of learning behaviors involved. In addition, an effective learning also needs the commitment and actual competencies demonstrated in both the cognitive and behavioral enablers, including the stimulation by the perceived gap between what is important, in long term, and the actual goals established.

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