

# Understanding Learning Organization in Malaysian Organizational Context

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## Abstract

The purpose of a learning organization supposes to gain a competitive advantage by changing, reshaping and modifying the existing situation of an organization through collective learning. There have been some assertions that without appropriate understanding of the concepts of learning organization, an organization might not be able to act as a learning organization. The objective of this paper was to gain insight and indicates how the Malaysian organizations understand the concepts of learning organization. Three organizations were selected for this study. The nature of the organizations varies based on their own functions. Organization A was a service oriented organization B was an economic development and organization C was a research and development organization. The study was qualitative in nature. This means that the focus was to understand an event and its interactions within the natural context in order to indicate on how the Malaysian organizations understand the concept of learning organization. The study found that although the understanding of the concepts of learning organization was still at early stage but the study indicated some evolving ideas in all three organizations. It was also observed that the understanding of learning organization was interpreted based on the organization's own identity. The study provides some guidelines to enable the organizations concerned to develop their organization into a learning organization. It also suggested that the understanding of the learning organization can enable the organizations concerned to develop into full-pledge learning organization.

**Keywords:** Learning organization, learning process, collective learning, competitive knowledge and dynamic process.

## 1. Introduction

Since its independence in 1957, Malaysia had gone through several phases of its development plans, which aimed at achieving economic growth and prosperity for the country. To date, Malaysia had nearly completed its 9<sup>th</sup> Malaysia Plan (2006 – 2010), where the thrusts of development policy was not only given on sustaining economic progress, but also on other aspects of development such as social justice, quality of life and political stability with the inclusion of positive social and spiritual values.

In line with these development and the demand of the global competitions such as the existing of new technologies, customers, the impacts of trade in goods and services, and the spread of information, the Malaysian organization should be taught the skills to anticipate the future where the focus is to the openness to new opportunities and the building of greater resilience and dynamism. The Malaysian

organizations should take the necessary efforts to transform themselves into an organization that can able to adapt changes in an organization and survive in the global business environment. These abilities are directly related to the learning capability of an organization where it refers to the emerging of the most contemporaneous concept known as learning organization.

Many have attempts to define and describe learning organization, as the learning process, both for individual and organizations (Mayo & Lank, 1994). As research literature has demonstrates, there are various definitions of learning organization (Garvin, 1993; Daniels, 1994) and base on several theories (Levit & March, 1988). Meanwhile, Senge (1990) describes learning organization as places where people continually expand their capacity to create the results they truly desire, where new and expressive patterns of thinking are nurtured, where collective aspirations are set free and where people are continually learning how to learn together. However in order to understand learning organization clearly, Garrat (1990) identified three characteristics of learning organization as follows; (1) encourage people at all levels of the organization to learn regularly and rigorously, (2) have systems for capturing the learning and moving it where it is needed, and (3) value leaning and are able to continuously transform themselves. In another term, Pedler et. al. (1991) states that learning company is an organization that facilitates learning of all its members and continuously transform.

While Swieringa & Wiedsman (1992) mentions learning organization is concern with collective learning on the part of the organization to survive, merger, structurally redesign and market transition. Ulrich & Van Glinow (1993) underlying the concepts of learning organization as progressive and evolutionary not radical and revolutionary. They also stress that the concept integrates, builds on and enhances decades of management thinking. Tobin (1993) includes three characteristics for an organization to understand a learning organization. First openness to new ideas, second a culture that encourages and provides opportunity for learning and innovation, and third a widespread knowledge of the organization goals and objectives and an understanding of how each person's work contributes to these goals and objective. On the other hand, Garvin (1993) defines learning organization as an organization skilled at creating, acquiring, and transferring knowledge, and at modifying its behavior to reflect new knowledge and insights. To another extent, Toft and Reynolds (1994) defines learning organization as a cumulative, reflective and saturating process through which all personnel within the organization learn to understand and continually interpret the world in which they work in by means of the organizational experiences to which they are exposed.

Given the term knowledge factory, Roth *et al.*, (1994) describe it as a metaphor to describe an accelerated learning organization driven by dynamic processes that create superior knowledge and translate that knowledge into competitive capabilities and core competencies. However, Dixon (1994) notified that there are several differences and common themes among the definitions in an attempt to understand and provide an insight on learning organization.

## **2. Literature Review**

A learning organization is one that has woven a continuous and enhanced capacity to learn, adapt and change its culture. Its values, policies, practices, systems and structures support and accelerate learning for all employees (Bennet & O'Brien, 1994). Whereas, Rylatt (1994) describes workplace learning as a sustained and high leveraged development of employees in line with organizational business outcomes. To Hitt (1995) there are at least two reasons why we need learning organization, that is to survive and excellence.

To survive organization must achieve excellence, and by achieving excellence, the organization will enhance its chances of surviving and continue to adapt to an ever-changing environment. Strachan (1996) has argued that to survive and prosper in today's turbulent business environment organizations may need to transform their traditional methods of organizing and managing into learning organizations. Thus, an assumption of this study is that organizations which have participative leadership and management styles, flat organizational structures and teamwork that foster both innovation and creativity - the key features of the learning organization - are most likely to meet the challenges thrown up by the environmental forces for change and practice double-loop learning. That is, learning that challenges current operating assumptions, norms and values and existing organizational arrangements.

Leitch, et al., (1996) looks learning company as an orientation, not an activity, as a purpose and process not an outcome, as becoming not being and as a journey not an archetypical destination. This is why the learning company instrument with both its diagnostic and development capabilities is so important because it can potentially provide constant information about the levels of satisfaction within a company and provide the stimulus for constant development, and learning. According to Garavan (1997) the notion of the learning organization, as presently advocated, is an illusive concept and is represented both as an ideal rather than a reality and as something which can be achieved.

As for Burnes *et al.*, (2003) the organizations that operating in a turbulent environment, and who do not wish to or cannot change their environment, organizational learning may indeed be a new and appropriate paradigm. However, for those operating in less turbulent environments, a more traditional approach to learning, and a greater emphasis on the ability to “exploit previous learning”, may be more appropriate. According to Fauske and Raybould (2005) five elements influenced organizational learning: priority of the learning in the organization, consistency and breadth of information distribution, unpredictability or uncertainty, the ease of learning new routines (how to) and the difficulty of learning new conceptual frameworks (why). According to Jennifer and Kerry (2006) learning organization is fundamentally different from other approaches to management and leadership for at least two reasons. (1) whereas the bureaucratic paradigm (like all modernist ones) manages by reductionism (reducing any phenomenon to its elements, addressing each one, and finally adding together the results of each), the learning organization has a holistic preference, never forgetting the whole system. (2) whereas the bureaucratic paradigm claims to be “value free”, the learning organization stands openly on certain values -- on respect for human beings, who are far more than “human resources” or “factors of production”, on responsibilities between people, on collective commitments to communities of work and expression, on the struggle towards truth in improving processes of interaction and improving oneself.

According to Serrat (2010), learning organization needs people who are intellectually curious about their work, who actively reflect on their experience, who develop experience-based theories of change and continuously test these in practice with colleagues, and who use their understanding and initiative to contribute to knowledge development. On the other dimension, Weldy (2009) stated that becoming a learning organization and improving transfer of training could be the critical factors necessary to improve learning, better manage knowledge, make improvements in individual and organizational performance, and maintain a competitive advantage in turbulent markets.

In term of understanding learning organization, Weldy and Gillis (2010) indicates that there are variations in the perceptions of organizational members from different organizations on the adoption of the dimensions of a learning organization. They also indicates that the transitioning to a learning organization is a process that takes some time and will not result in equivalent outcomes. In analyzing of antecedents and outcomes of Senge’s five disciplines model, Bui and Baruch (2010) points out, there are significant interdependences and interactions among the various constructs associated with Senge's five disciplines of the learning organization. Furthermore, Filstad and Gottschalk (2010) identified, there are four stages for an organization to move from ordinary organization into learning organization. The four stages are activity organization, problem organization, value organization, and learning organization. In fact leadership has play an important role in creating a learning organization as mentioned by Limpibuntergn and Johri (2009) “leadership tasks performed by NSD executives significantly affect the development of organizational learning capability, which in turn significantly affects organizational performance”.

The general objective of this study was to gain insight and highlight on how the Malaysian organizations understand the concepts of learning organization. Specifically, the objective was to indicate how the Malaysian organizations understand the concepts of learning organization.

### **3. Methodology**

This study primarily examined the step taken in the building of learning organization in selected Malaysian organizations. The important aspect of the study was on the process rather than to determine the outcome. This means that the focus was to understand an event and its interaction within the natural context in order to determine what and how the study of learning organization been conducted.

Therefore, the study requires a research design that facilitates the understanding of the complex web and an in-depth exploration of the data where the purpose was to investigate and generate insights. By understanding the above facts, qualitative methodology was deemed appropriate to conduct this study. According to Patton (1987) the nature of a study warranted the use of qualitative research methodology when the information needed are systematically gathered and analyzed through the perceptions, feelings and knowledge of people.

As indicated by Bogdan and Bikken (1982) the qualitative researcher is interested in meaning – studying and understanding a particular phenomenon, the nature of events and the nuances of interaction. This approach is concerned with how people negotiate meaning and interpret their experiences through interacting with other people. It is up to the reader whether to generalize or not. The main focus of qualitative research is to be context sensitive.

Since the study was intended to explore and not to generalize, the main concern therefore was to choose sample that would give more information relevant to the focus of the study. In qualitative research, the sample tends to be small and purposeful. The logic is not to generalize but to explore in-depth, information-rich cases (Patton, 1990). There were many organizations that seem to embrace the concept of learning organization but very few had taken steps to the process of building the organization into learning organization. The study used purposive sampling to select organizations, which would provide a variation that would enrich the findings. Three organizations were selected based on the proposal accepted by the committee (three supervisors), to represent the three major sectors. The three major sectors that have been chosen were services and development label as organization A, research and development as organization B, and economy and development as organization C. These three organizations are still under government controlled and located at three different states. Organization A is controlled under Government Linked Company (GLC), organization B is under Ministry of Agriculture and Agri Industry, and organization C is under State of Johor Government. Basically, the sources of data in this research were interviews, observations and documents. This would permit the researcher to combine the strength of these methods using a triangulation strategy.

Data analysis is a going process that begins with data collection and ends with the writing up the study. The data collected in this study were first transcribed and analyzed according to each of the organization *i.e.*, organization A, B and C. The transcriptions and analysis were done independently following a specified time frame (three month) for each organization. The data were analyzed simultaneously during the data collection phase with the interview, observation or document. The researcher looked for key concepts, key issues, recurrent events, and so on that became tentative categories. Pre and initial analysis was started after one interview had been completed and transcribed in order to discover any relationships, patterns, constructs or themes within the information. This analysis was used to refine future interviews and document analysis. Gradually, once categories became more distinct and refined, properties that have descriptive elements of the categories might also emerge. After the data had been sorted into categories and properties, the researcher examined each category to ensure that it was conceptually congruent with the other categories. The process continues until sources were exhausted and the categories were saturated. Data collection and analysis ended at this point.

#### **4. Findings and Discussion**

This study found that there were various understanding towards the understanding of the concept of learning organization, but most viewed it as a continuous process of learning in organization. Organization A listed five important elements as follows: (1) learning organization is an organization that always provides learning, training and retraining; (2) learning organization is the organizational set-up that concerns with the environment; (3) learning organization is the organization which has effective information and communication network; and (4) learning organization is the organization that makes reading, meeting and discussion as its culture.

For Organization B, four important elements were listed as follows: (1) learning organization is the organization that acquires, masters, supply and empowers knowledge; (2) learning organization is the organization that provides self learning and self organizing individuals; (3) learning organization is the organization that produces more competitive research and innovation in the organization, and (4) learning organization is a process of learning in the organization that involves all employees from every level.

Whereas to Organization C three important elements were listed as follows: (1) learning organization is the organization that integrates internal and external process of learning; (2) learning organization is where learning becomes a continuous process in the organization; and (3) learning organization is where sharing of knowledge and experiences occur among employees.

The understanding of the concept of learning organization by the three organizations can be looked into three aspects. First, the finding indicates that the perception and opinion towards the understanding of the concepts of learning organization are diversified. Each organization has its own views and interpretations regarding the understanding of the concept of learning organization. The way in which each of the organization perceives the concepts is based on the nature of each organization and its business orientation.

It is in line with various definitions and conceptualizations of learning organization made by the organizational theorists and professionals based on literature review cited. As mentioned by Ulrich and Van Glinow (1993), the concepts of learning organization were grounded in diverse streams of management history. There is no single definition of learning organization acceptable to all, many of them shared some distinctive characteristics or had their own framework. Besides, there were also some similarities and differences on the understanding of the concepts of learning organization in the three organizations selected. As Dixon (1994) had mentioned in the literature, there are several notable differences and common themes in understanding the concept of learning organization.

Second, the understanding of the concept of learning organization is generated from the dynamic process of learning and knowledge creation. The three organizations understood learning organization as an organization that involved in a continuous process of learning and knowledge creation. They also believed that all levels of staff had to benefit from the knowledge and experiences among them in the organization. As mentioned by Pedler *et al.*, (1991), a learning organization is the organization that facilitates learning of all its members and continuously transforms itself. It is also in line with what has been characterized by Garrat (1990) where learning organization are (1) encourage people at all levels of the organization to learn regularly and rigorously, (2) have systems for capturing the learning and moving it where it is needed, and (3) value leaning and are able to continuously transform themselves.

Tobin (1993) also describes three important elements that relate to the continuous process of learning that was open to new ideas, a culture that encourages and provides opportunity for learning and innovation and a widespread knowledge of the organization goals and objectives and an understanding of how each person's work contributes to these goals and objective.

The understanding of the concept of learning organization was related to the environmental changes. The understanding of learning organization had an impact with the changing environment and the experiences where the organizations had had with the environment. As the three organizations were on the tracks to strengthen themselves as corporate entities, the process of learning led the organizations to adapt to the environment. Hitt (1995) illustrate the meaning of learning organization as striving for excellence through continual organization renewal, which is always proactive and responsive to environment changes. The organizations had therefore undergone a very long learning and transformation process, continuously responding to the changes that took place around them, and were always aware of the public perceptions and opinions.

Although, there is no common understanding of learning organization to the three organizations, but they share some distinctive ideas and hence provides them to have their own framework to understanding learning organization. The framework may depend a lot on what business, what market and what environmental condition does the three organizations faces.

## **5. Conclusion**

The understanding of the concept seems to be unique for each organization as each organization had its own core business and corporate culture to deal with. Besides that, there were also the management philosophies that each organization upheld in assimilating new management tools or any innovations in their organization.

The study provides strong indication that learning organization as a new management approach will be accepted and recognized as one of the tools to Malaysian organizations with its own unique identity and philosophical foundation. It is recommended that several items in this study can be formulated into the questionnaire form which can be used as a quantitative method of collecting data.

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