

HOW ORGANIZATIONAL CULTURE INFLUENCES BUILDING A LEARNING ORGANIZATION

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Abstract. Contemporary organizations more and more often see human resources as their most valuable asset. This is why they create wide range of opportunities to help them to develop. Such approach is aimed at increasing involvement, higher effectiveness, innovativeness and thus constant improvement of competitiveness, which is not possible without employee constant learning and their self-actualization. In this way the learning process is stressed as essential element of every modern company. As a result of this thinking one of the key tasks for a company is to create proper environment, which generates and spreads knowledge. This is where organizational culture proves very useful. The main objective of this article is to demonstrate how organizational culture influences on building learning organizations. The content has been drawn up based upon literature study as well as in-depth interview conducted with the computer programmer working for Google, Ireland.

Key words: human resources, international management, learning organization, organizational culture, managerial soft skills.

Introduction

The contemporary approach to management reflects the fact that an organization is affected by various factors originating in close and distant environment, which constitute a certain context in which it functions (Bukowska 2005: 455). With each decade the competition is becoming stronger and the companies, which do not learn and do not introduce changes are doomed to failure (von Oetinger 2004: 35). As Kotler points out (2007: 191) at the end of the 20th century a great number of organizations experienced growing difficulties with proper functioning, mostly because of inflexible structures, applied practices and inappropriate organizational culture. According to the author, these factors were more of a barrier to introducing changes rather than facilitating them. On the other hand, the experience of enterprises from the Far East (Japan, South Korea) point at ultra-positive dimension of organizational culture, including learning categories. Thanks to this we can talk of specific bipolarity of the organizational culture phenomenon in an enterprise. However organizational culture, no matter its type, influences the balance between centralization and decentralization, risk tolerance, change adaptability, personnel involvement in decision making (Ghinea 2014), hence it must be measured and shaped. The

aim of this article is to demonstrate how organizational culture influences on building and developing a learning organization.

1. The concept of a learning organization and its role in gaining competitive advantage

As many scientists and entrepreneurs emphasize, the future source of competitive advantage in organizations will be their ability to adapt. From this point of view, modern organizations must resemble a chameleon. Both the shape and the outlook of such organizations should be subject to constant changes following modifications of the environment and its requirements towards the organization (Miller 1998: 139-140).

Organizational ability to change is not a new concept. Also the organizations whose employees demonstrate willingness and ability to learn are nothing new. However it is worth mentioning that individual learning is not always a positive phenomenon for an organization, as employees may learn something undesirable for an organization (they may, for instance, realize that it is enough to work effectively only two hours a day because their supervisor cannot effectively monitor the effects of their work), or they can learn to perfect their own work without any benefits for the team (Fazlagić 2010). That is why it is essential that an organization should articulate the issues that are to develop not only emphasize the motivation for constant and conscious learning.

A learning organization is any form of organization, which enables its members to learn and, as a result, it facilitates achievement of valuable innovations (product innovations, marketing innovations or organizational innovations), which lead to better competitive position of an enterprise (Kožuch 2007: 255). In such organization the key values are (Yukl 2006: 310):

- constant learning,
- innovativeness,
- initiative,
- flexibility.

In a learning organization all employees should be involved in solving problems, thanks to which they gain valuable experience. What is important, in learning organizations, each employee has wide access to knowledge. According to Senge - the creator of the learning organization concept, in this type of structures people always look for new possibilities of obtaining desirable effects, create new models of unconventional thinking, develop in teamwork and learn constantly (Senge 2008: 26). In addition to that Bratnicki (1998: 109-110) points out that in a learning organization:

- all employees see themselves as people learning on behalf of the enterprise, take responsibility for their individual development and are aware of the risk related to constant changes,

- traditional supervisor-subordinate relationship is being replaced with self-management where employees are proactive and take up initiative,
- there is spirit of self-development; employees take responsibility for the learning process; organization provides space for development; employees are treated as mature individuals,
- the way it functions resembles the consortium of small businesses; each treats work as their own business and shows typical vitality, energy and effort; the success of such an organization is in the interest of each employee,
- the organization as a whole creates, gathers, spreads and uses new knowledge and maintains and develops key competencies due to which it achieves competitive advantage in the market.

From this point of view a learning organization creates possibilities of development for all its employees and is also able to learn itself and transform as a community.

2. The concept of organizational culture

According to Schein (1992: 36) organizational culture may be perceived as a model of basic assumptions – invented, discovered and developed by a group of people in the process of learning, dealing with problems of external adaptation and internal integration – functioning well enough to be considered just and proper to be passed on to new members of the community as an appropriate way of perceiving, feeling and reacting to these problems.

In such definition, organizational culture is a set of basic values, assumptions, interpretations and attitudes which characterize the organization (Cameron and Quinn 1988: 356-396) and “a kind of collective artifact (shared meanings, symbols, rituals, cognitive schemes), constantly formed and transformed as an organization is trying to balance the requirements of internal coherence with the needs to react discovered in the environment” (Bratnicki et al. 1988: 67).

Hofstede shows that organizational culture covers the way of thinking passed by the leaders to the group members and by the led ones to the leaders (Pocztowski 2002: 59). Practices in this area are the derivative of organizational culture itself and cultural values of a particular country in which an enterprise functions. It should be emphasized that such relations functions on a feedback principle (Konecki 2007: 16).

In addition to that organizational culture consists of metaphors and symbols, stories and myths, ceremonies and rituals, norms, rules, the organization’s philosophy (attitudes and beliefs), declared and undeclared values, as well as the most profound convictions. Not individually, but all of them together reflect the concept of organizational culture. This is not something given to an organization, but rather what the organization actually is (Ghinea and Brătianu 2012; Prugsamatz 2010: 245).

Just like in case of learning organization, the phenomenon of organizational culture is not new, but its significance is growing. This can be attributed to a number of reasons, such as (Koźmiński and Piotrowski 2006: 298):

- economic success of Japan (over 10% economic growth in the whole decade of the 1960s and over 5% in the 1970s) and search for its origin. The comparative analysis of Japan and the USA clearly pointed at differences in organizational cultures and interpreted them as directly influencing the effectiveness of management (the 1981 publication by Pascale and Athos, entitled “The Art of Japanese Management” brought about tough debates on possibilities of implementing the Japanese model on the American grounds);
- revival of interest in qualitative methods and tools in research on organizations and management. The interest in phenomena (including organizational culture) whose analysis hinders application of quantitative methods and forces the adoption of descriptive and explanatory style;
- growing competition and crisis of traditional management concepts, which forced companies to search for new factors guaranteeing survival. Organizational culture which generated competitive advantage was seen as “something possessed by Japanese companies” and “lacked” by others;
- interest in mythology and symbolism in the 1980s, especially rejection of the functional and acceptance of the individual, unique and expressive.

Organizational culture is an extremely complex phenomenon and its understanding requires being “an inside man” as many of the attributes cannot be easily seen and described. If not the knowledge of the culture is merely restricted only to acquainting with its visible or partly visible elements. That is why leading Japanese companies like Toyota are not afraid to publish information on sources of their competitive advantage (Liker 2004). They realize that they cannot be “just copied and adapted” to another organization. If the aim of the enterprise is to create culture which will influence the growth of effectiveness, innovativeness, flexibility, etc., then the key process takes place as early as during the recruitment stage. The most essential thing is to recruit people whose values are consistent with the values respected and professed by the enterprise. Otherwise we have a strong dissonance, which in time will cause the appearance of counter-culture destructively affecting the organization (Martin and Siehl 1983: 64). Therefore strong positive influence of organizational culture on the effectiveness of an organization can be perceived only when it behaves in accordance with the declared values.

3. Attributes of organizational culture

The operation of learning organization needs supportive culture to facilitate its practice (Wiewiora et al. 2013). Robbins (2001: 428-430) points out that the essence of organizational culture can be boiled down to seven fundamental features, which play a key role in managing an enterprise. The intensity of a particular feature in an organization directly influences the organizational effectiveness. These are:

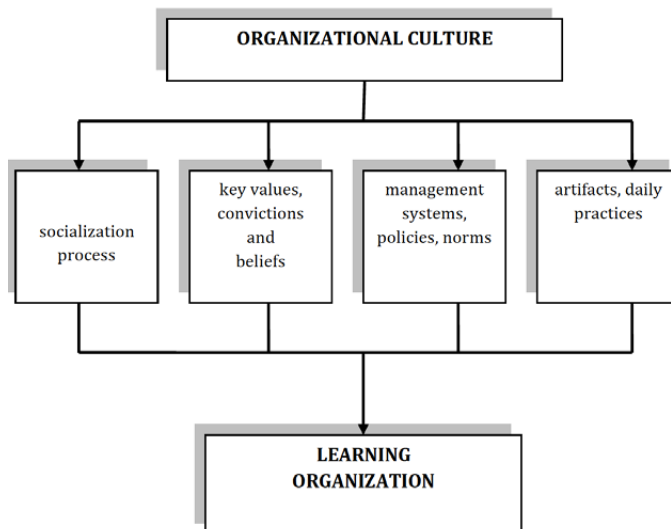
- innovativeness and risk-taking, that is the extent to which employees are encouraged to innovativeness and risk-taking,
- paying attention to details, that is the extent to which employees are expected to be precise, use analytical approach and paying attention to details,
- focus on results, determining the degree in which management focuses their attention on results, not on methods used to achieve them,
- attitude to people, that is the extent to which management takes into account the influence of results on people in the process of decision-making,
- focus on teams, showing the degree in which work is organized around teams rather than around particular people,
- the degree in which people are aggressive and focused on competition, and the degree in which they are lenient,
- the degree in which organization's activities concentrate on development or on preserving status quo.

The above cultural driven features are especially important for the influence on the development of a learning organization. They base on key values, typical for this type of organization.

Organizational culture that supports a development of learning organization is also characterized by the efficient systems of communication in the organization, ambition and the atmosphere of competition, incentive schemes, free exchange of innovative ideas proposals (ideas), a lack of arrogance and egoistic attitudes, announcing authors of success and those who assisted in this process (Sanz-Valle et al. 2011).

Many Far-East Asian organizations which build their competitive advantage on organizational culture (for example Toyota) are learning organizations, which means that their method of operation contributes to the exchange and creation of new knowledge, essential both for the interest of the whole organization and for its particular parts (Bendyk 2004: 223-224). This process is strengthened by such cultural background elements as socialization process, values, management systems, everyday practice, artifacts, etc (see Figure 1 and Table 1).

Figure 1. How organizational culture influences building a learning organization



Source: Own elaboration on the basis of: Dobni 2008: 544.

Learning organizations may draw knowledge from various sources and in various ways. However, as one of the best world managers Jack Welch points out, no employee will be able innovative and will not generate added value for the company unless he identifies with it (Hoffmann and Pilat 2010: 212). That is why the objective of organizational culture is to create the climate, which would stimulate learning process. Table 1 presents examples of various culture-based practices, which greatly facilitate creation and operations of learning organizations. The examples quoted were mostly based on Google Company, which is an unquestionable leader among learning organizations nowadays.

Table 1. Attributes of organizational culture, which constitute a learning organization

Culture-based attribute	Examples on the basis of Google
Socialization process	– team work, – international staff (Google branch in Dublin employs people from 38 countries all over the world), – arranging social space in enterprises (for example: library, canteen, playroom with table football, snooker tables, volleyball courts, various video games, pianos, table tennis and gyms in which yoga and dance classes are run), – creating free space as „open office”, allowing employees to work in one room (there are only a few separate offices), – weekly after work meetings on Fridays, in which both new staff and top management take part, – integration and training trips, – company support in developing off-work interests (for example mountain biking, wine-tasting, flying, Frisbee, etc.),

Key values	– learning, – innovativeness, – initiative, – flexibility, – self-development, – quality (perfectionism), – speed,
Management system, policies, norms	– avoiding red tape, – flat organizational structure, – employee empowerment, – down-top initiative of employees, – system of awards and bonuses (for example for the best innovative products),
Artifacts, daily practices	– informal dress, – local accents typical of a particular place, from mural paintings in Buenos Aires to cable cars in Zurich, which reflect the atmosphere and character of each office, – omnipresent laptops – standard equipment enabling programming, sending e-mails and taking notes at any place, – informal addressing other members of an organization, – common language, rich in terminology understood only by organization members, – mentors (for example Larry Page and Sergey Brin), – rituals,

Source: Own elaboration.

In Google, there is a strong belief that employee involvement in implementing and distributing innovations depends on how free they feel when presenting their ideas and opinions. It often happens at lunchtime, when people can sit at any table they want and talk freely to members of other teams. What is more, Google's organizational culture strengthens the feeling that a single employee, irrespective of their length of service, education or position in a company, contributes to the company success. This accounts for considerable freedom of interpersonal relations, where everyone can approach Larry Page or Sergey Brin (company founders) and talk about their proposals concerning streamlining or totally new projects. Weekly meetings on Fridays mostly serve the purpose of integrating all employees and developing their feeling of belonging to the community. However, an accepted practice at these gatherings is discussion on new ideas of particular members and possibility of sharing knowledge. The examples above clearly demonstrate how important organizational culture is for employees' learning and self-development.

Some of the American companies have already tried to adapt this way of cultural innovative thinking. This is why they introduce friendly and democratic management style. One of them, which targets at making people acting innovatively is open-book management proposed by Jack Stack – the head of SRC Corporation. The method is based on open communication, feedback, incentives and trust. This system proposes few important tips to stimulate distributing and sharing knowledge. They are as follows: (Wright 2004: 58):

- Paint the big picture: Managers must give all employees a course in the business, help them believe in the products and/or services being delivered, and understand how the company operates;
- Open the books: The so-called cornerstone of The Great Game of Business is to show all employees the financials of the company so that everyone is on the same page about saving money, watching expenses and improving profits and sales;
- Make the payoff: Companies must institute two motivational tools to help improve performance and sales goals: employee bonuses and equity-sharing. Bonuses will recognize and help retain valuable workers, and equity sharing will allow employees to have a greater interest and personal stake in the business;
- Do the huddle: Hold frequent, regularly scheduled all-staff meetings so everyone understands the system and is kept up-to-date on company financials and bonuses. Regular meetings improve communication and help define direction and vision.

In some organizations this part of the system, which collects employees' ideas takes the form of the so-called DODGI (the department of damn good ideas). As far as such department is concerned, every employee may even declare a solution of how to improve top management's work.

All the examples presented above are used in managing the learning process. After using them, it is possible to shape the culture models in the company, and, in consequence, achieving intended objectives (Morgan 1997: 205). In case of a learning organization, these aims are mostly connected with developing the best practices concerning generating and distribution of knowledge.

Conclusions

The article was an attempt to prove how organizational culture influences on building and developing a learning organization. Although the concepts of organizational culture as well as learning organization are both not new the link between them leads to emergence of a new management paradigm. The content has been drawn up based upon literature study as well as in-depth interview conducted with the computer programmer working for Google, Ireland. It demonstrates that exchange and creation of new knowledge can be culturally driven throughout socialization process, organizational key values and beliefs, policies and norms as well as artifacts or daily practices. As proven on the examples of Google Company the applied practices are mostly very simple solutions, hence it should be quite easy to adapt them in other organizations. Moreover the implementation costs of most of described examples seem relatively low, which makes them adaptable not only in large enterprises but small and medium companies as well. In this way the presented scheme can be used

as a benchmark to modern organizations where employees create new models of unconventional thinking, develop in teamwork and learn constantly.

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