Learning Organizations and Human Resource Development

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A learning organization is a place where individuals continuously find out how they are makers of reality and how they can change it. Therefore, organizations must learn how to change their actions in the path of obtaining unforeseen outcomes. An organization’s learning ability is hidden in its employees; therefore, employee learning is a prerequisite for organizational learning. This paper starts by examining the theory of learning organizations and then evaluating the role of human resource development in learning organizations.

Field of Research: Learning, learning organizations, human resource development

1. Introduction

Considering that innovation and flexibility is one of the main challenges in providing customer requirements, today learning has turned into one of the strategic challenges in organizations. This new importance of learning in business has reflected in theories such as learning organizations and knowledge management.

In addition, considering rapid environmental changes and reduction in permanent employment, it is necessary for employees to obtain relative compatibility with changes and maintain employer satisfaction by engaging in learning and teaching experiences throughout their life.

Therefore, it can be said that achieving knowledge can be considered a competitive advantage, and employee training is something more than paying attention to basic employee abilities. A learning organization is a company that has an enhanced capacity to learn, and change, and embraces the culture of lifelong learning, enabling all employees to continually acquire and share knowledge (Gephart et al. 1996; Solomon 1994; Thornburg 1994).

The main effort of a learning organization for improving learning abilities in different levels is rapid and suitable reaction towards possible changes (Ansoff, 1987).

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In this paper, by attempting to create a suitable point of view and insight towards the concept of learning organizations, the role of human resource development has been described in these organizations.

This paper comprises of the following sections:

Section 1: Introduction

Section 2: Literature Review

2-1: Definition of learning organizations

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Section 4: Research results

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Section 5: Conclusion

2- Literature Review

2-1: Definition of learning organizations

The phrase “learning organization” has become popular used nowadays in many different enterprises. It is because most enterprises have shifted from traditional operations to complex and flexible ones. Marsick and Watkines (1994) indicated that “learning organization” learns continuously and can transform itself. It empowers the people, encourages collaboration and team learning, promotes open dialogue, and acknowledges the interdependence of individuals, the organization, and the community. McCutchan (1997) noted that the fundamental source of competitive advantage in today’s organizations was shifting from resources to knowledge and from relatively stable sources of technological and market advantage to the capacity to create such advantages. Sphr (1999) further explained that “Learning organizations are firms that recognize the critical importance of continuous performance-related training and development and take appropriate action to provide them”. Therefore, the key characteristic for the success of an organization is its ability to learn. A learning organization is one that has accepted that nothing stays the same forever (Pedler, Burgoyne, Boydell 1991). Although this issue might not seem very important at first sight, but the majority of organizations believe that the environment will not experience fundamental changes and whenever they occur, these changes will not be to an extent unforeseeable by organizations. Accepting the fact that changes are daily organizational
realities is means for accepting a strategic point of view. Although, this point of view differs immensely to traditional organizational standards.

A learning organization by accepting these changes, does not design a detailed long-term strategic plan, but determines a clear and precise goal (which is also recalled as the organization’s mission) which acts as the principal guide for organizational operation. This organizational mission does not determine the method of achieving objectives. In other words, according to Fedler’s theory, a learning organization knows where it has to go, but is not clearly aware of the path leading to its anticipated destination. "Learning organization" was invented in the 1980s to describe organizations that experimented with new ways of conducting business in order to survive in turbulent, highly competitive markets(Senge,1990).According to the core theory of the “Learning organization" proposed by peter M.Senge in 1990, there are five disciplines , “Personal mastery”, "Mental models”, “Building shared vision”, “Team learning” and “System thinking”.

**Personal Abilities:** Peter Senge describes personal ability as one of the main components required for creating a learning organization. Personal abilities have individual learning in their trail, and organizations simply cannot learn unless their members commence learning. To start with, organizations must clearly define what individuals are attempting to achieve (Defining the organization’s mission). After individual goal setting, people develop their abilities towards achieving those goals. In other words, personal abilities are a system where an individual continuously clarifies and deepens his personal viewpoints focuses his energy and power to make organizational goals. According to Cutchan’s (Cutchan, 1997) opinion, individual learning creates a common insight between the mutual commitment of individuals and the organization rich in tendency to learn.

**Mental models:** a mind model is a way of looking at the world (Kine; Saunders, 1993); a framework which determines cognitive processes of our mind. In other words a cognitive model determines how we think and act. Mind models are very deep assumptions or sometimes images and shapes affecting our understanding and action towards the world around us (Senge; 1990). In many cases we are not aware of our mind models and their effect on our performance. Many useful ideas are never carried out, simply because they are in contrast with deep mind models. Therefore, in a learning environment, individuals must seek to brush-off dust from their mind models and expose it to extensive searches, while these searches must cover informative and learning results.

**Building shared vision:** shared vision starts with a personal vision. Personal visions are things that an individual believes in his own mind. Systemic thought which id mainly based on long-term goals can be act as lights for the guidance of personal visions (Garvin; 1993). Nevertheless creating a common vision is very difficult, because it is almost impossible for all individuals in an organization to have similar goals; they interpret the goals differently, but a common vision perceived by most individuals can be created. Senge states that when a real vision exists, individuals strive to learn, not because it is something wanted from them, but because they want
to. But many leaders have personal visions never to be converted into a group vision including the organization. What we lack is a discipline converting personal vision into group vision, principals which are capable of unifying efforts.

**Team learning:** Team learning starts with “dialogue”. A capacity which enables team members to collaborate their opinions and implement the right thoughts together (Wang, 2006). Team learning is of great importance, because not individuals, but teams form the learning foundation in modern organizations. The organization will have the ability to learn, provided that teams are learning (Senge, 1990).

**System thinking:** Humans can successfully develop their knowledge based on an analytical model called systemic thought. Based on this model, individuals form a problem within a shape. The problem is broken down to its components and each section is separated and then obtained results are designed as a whole (Wang, 2006).

System thinking specifies the most delicate aspect of a learning organization (Senge; Kofman; 2000), a new way individuals perceive the world them. A change in mentality rests in the heart of each learning organization. A change in which we relate ourselves to the world on not separated from it. We perceive how our actions create our issues and problems, and why we should not relate occurrences to other things and other people. A learning organization is a place where individuals continuously perceive how they are creator of reality and how they can change it.

Generally different definitions related to learning environments where proposed by scholars, and the components of such an organization were examined by Senge. Figure (1) depicts the summary of all definitions related to learning environments.

**Figure (1): Different definitions of learning organizations**

- Is an organization which strives to create skills and obtain or transfer knowledge and correct its behavior.
- Is an organization which its employees strive to increase their level of knowledge, insight and innovation.
- Is an organization which facilitates training for its members and is always upgrading itself.
- Is an organization which is always developing its creativity in order to obtain its true requirements and free thinking and ideals and group requirement fulfillment is possible.
- Is an organization which is created in the length of time by means of common insight and mind models and systematic point of view and individual dominance.
- Is an organization which obtains presumptions from its history and experiences and others and places them as an applicable behavioral guide.
- Are knowledge creating organizations in which knowledge creation and new awareness and inventions and innovations are communal.
- Is an organization which discovers and corrects the procedure of fault development.
2-2: Reviewing the concept of human resources development

Nadler coined the term human resource development (HRD) in 1970 and offered a model with three components: training, education, and development (Nadler and Nadler, 1991). According to Nadler’s definition, there is a difference between tuition, teaching and human resources development. The purpose of teaching is to design activities to improve employee performance in current jobs. The scope of teaching can be extended and necessary actions can be taken to empower employees enabling them to be promoted to higher positions. The purpose of tuition is a collection of human resources development activities tended to improve basic competence in a specific direction and is superior to the method of carrying out current occupational requirements. The purpose of tuition is preparing an individual to achieve positions higher than his current position; and finally development is preparing employees in a way that enables them to move tangent to development, growth and change in the organization. The result of development maybe a new job on a higher level or expanding and extending current activities to new fields and standards not determined previously. “Human Resources Development” comprises of the two terms Human Resources and Development. “Human Resources” can be perceived as a collection of knowledge, theories, skills, commitments, values and tendency of individuals in an organization, and “development” is the outcome of abilities, capabilities and the energy required for carrying out current and future occupational requirements (Singh; Jalan; 2001). Most research literature regarding the concept of this field has been developed in the USA and Europe, and human resources development is a field developed in mostly industrial countries (Weinberger, 1998). A number of scholars have contradicted the use of the term “resource” in human resources development for humans, and state that the importance of human beings has depreciated to the level of money, material, machinery, and methods of operation. This is while humans, as the world’s most precious asset should possess a diverse place. The head of the British Education and Development Institute believes that the term Human Resources Development is the loss of human spirit. The British Education and Development Institute (1992) believes that human resources development is a process in which individuals develop their whole ability in life and work. The institute believes that utilizing human resources is not a mechanical and apathetic method, but its view of individuals is tantamount to the most important source for helping others. Pace stated that human resources development creates individual development, occupational development and organizational development for attaining maximum performance, quality, opportunity, and satisfaction for organizational employees to successfully achieve organizational goals (Pace; Smith; Mills; 1991).

Human resources development is a process including new personnel ongoing training, increasing personnel conformity with the organization, occupational development, and development of abilities in the direction of individual and team performance growth,
resulting in the combination of individual and organizational goals and training; and individuals are continuously trained in the direction of organizational goals. Therefore, reaching the best possible organizational result is imminent (Kumpikaite, 2007). Robert Black believes human resources development whatever it may be, seems to mainly focus on humans, wherever and in whatever part of life it may be (Black, 1997). In 1995, Curtis Plott stated that human resources development previously focused on class teaching and tuition, while its logic today emphasizes on learning in the work environment and performance improvement. This emphasis results in macro knowledge production at the organizational level and turns into a constant competitive advantage in world markets (Walton, 1999).

Sphr(1990) noted that HRD had a strong influence on organizational culture because HRD could develop direct links between performance and rewards tend to create cultures conducive to achievement. Thus, human resource now plays a new role only recruits and manages employees but also provides a well rewarding system to encourage employees to dealing with challenging or difficulties. Marsick, V(1990) mentioned that a learning organization is supported by a learning culture where people work together to nurture and sustain a knowledge-creating system. Therefore, it is important for HRD to create a learning atmosphere and delivering new information for its employees. In addition, HRD is responsible for preaching their people about company’s vision, values and systematic problem solving techniques. Only if people within the organization learn to examine their values, co-create visions, redesign their approach to solving problems, and think systematically, they could become world class adapters in a work environment that is fluid, fuzzy, and fast.

In the past, the measurement of the company’s profits usually is productivity, because high or low productivity has a direct effect on wages, the cost of products, and of individual firms. Nowadays, productivity has a larger definition. It has to connect with creativity, flexibility, world vision and the ability of using new technology. HRD can also be in charge for the improvement of the company’s productivity (Wang, 2006).

Generally, based on scholar opinions, different definitions have been proposed for human resources development. Figure (2) depicts an overall summary of human resources development definitions.
3- Research Methodology

This paper attempts to examine the role and effect of human resources development in learning organizations in the hyper industrial and information era. Based on this fact, further on we will examine the role of human resources development in learning organizations based on three proposed models.

4- Research Results

4-1: Role of human resources development in learning organizations

The scope of human resources development has overcome a turbulent path. In many sources, “human resources development” and “teaching and development” are considered synonyms. In addition, in different parts of various books, developing human resources is only related to personnel teaching and development, and this relation is accompanied by special focus on teaching (Walton, 1999). In Britain, one of the first notations on human resources development as an independent field was given by Patty Gerio et al. In their studies, they assumed difference between human resources development and Retraining. Stewart states that human resources development is the organized and incorporated application of “teaching and development”, “organizational development, and “development of career improvement paths” for the individual, group, and organization (Stewart, 2002).

One of the past few years’ genetic topics is that in these years the term “learning” has been extensively emphasized on both in organizational terms and individual terms. In 1998, the British government published a green paper titled “The Learning Age” and a number of organizations have mentioned learning organizations in their notes and guide
books. In parallel with these changes, directional change has been witnessed in human resources development terms from “teaching and development” to “learning and development”. Moving towards learning has encompassed attention to knowledge, and knowledge in the hyper industrial and information age is considered a tool for developing human and intellectual assets as a source of constant competitive advantage.

Therefore, in order to create a successful learning organization, not only do organizations have to create space for employee training, but have to change the system of human resources development in a way that supports the learning process (Black, 1997).

Conformity with the unpredictable and challenging environment of businesses is essential for organizational success. In this section, in order to examine the role of human resources development in learning environments, obtained results have been given in section 3.

Section1:

Learning organizations exist because they make human powers more strong to deal with challenges. Therefore, HRD must play a new role in order to help the organizations shifting from their old shells to new ones. Figure 3 provides some ideas from Human Resource Development to be part of learning organizations.
HRD is capable to provide various ways to help people within the organizations to achieve five disciplines (Personal mastery, Mental models, Building shared vision, Team learning and System thinking). Some useful strategies for HRD to play a new role are listed below:

1 - Personal mastery: Human Resource Management department is responsible for hiring employees. This department and Human Resource Development professionals must find
The new employees are truly love their jobs and willing to learn things from their jobs. Recruiting people who have a positive working attitude will benefit the organization to create a better culture. In addition, for the purpose of employees knowing better about themselves, HRD can give personality and interest & self-analysis lists. By doing these, people will be more easily to face their limitations and difficulties, and to deal with change.

2-Mental models: For the purpose of training their minds, HRD can provide people with EQ classes. In addition, fair rewarding systems are necessary for encouraging employees to be more openness and positive to things and to colleagues and willing to adopt new challenges.

3-Building shared vision: for the purpose of building shared vision, HRD needs to provide two-ways communication flows and issuing company newsletters so that people will be easier to hold shared visions of future with commitments and mutual understandings.

4-Team learning: for the purpose of team learning, HRD needs to provide on-job training classes and holding group activities together, the teams will be easier to build their self-awareness, to helping and encouraging others learning and to enhance their creativity.

5-System thinking: for the purpose of helping people think more systematically, HRD needs to create guidelines of general problem-solving procedures to employees. In addition, establishing a well mentoring system will be necessary for guiding new comers to adopt organizational culture.

Therefore, human resources development in all five components of an organization possesses effective roles and has a principal role in the organization's movement towards learning.

Section 2:

Seviringa and Virdesma use “Traveller” and “Tourist” metaphors in order to describe the learning organization. Figure (4) depicts the role of human resources development in creating a learning organization based on these two scholars' viewpoints.
A tourist substantially travels based on a scheduled and codified plan in which each stage of the journey is foresighted; whereas a traveller only has an overall idea of the destination and specifies his precise path within the journey. For a traveller, determining the movement path is carried out relative to unforeseen conditions. For example, if a traveller finds a great spot in his journey, he might decide to stay a few days longer. A learning organization can be compared to a traveller. This organization according to its organizational mission knows where to go (organizational mission), but specifies the method of obtaining it stage by stage relative to conditions and length of the journey. A clear image showing the organization’s destination is inevitable. Without this image, due to gradual changes, the company will lose its direction (Senge, 1990).

The “traveller” metaphor for a learning organization means that learning is always required for forecasting changes and suitable reaction towards unforeseen conditions. In this way the organization can achieve it ultimate goal. Therefore, presence of a capacity for organizational learning is essential for an organization’s existence. In summary, it
can be stated that the main reason for improving learning abilities in different levels of an organization, is providing rapid and suitable response against possible changes (Ansoff, 1987). A learning organization is firstly an organization which can increase its abilities in learning. This type of organization has the ability to obtain the method of learning (Senge, 1990).

The second component of the above definition relates to employee roles. As mentioned previously, learning in the organizational or strategic role is relevant to employee learning. In other words, in order for these types of learning to occur, human resources development must be accompanied by developing employees whom are capable of:

- Obtaining and or creating knowledge for the organization (for example by means of obtaining everyday experiences in carrying out tasks, studying modern technology breakthroughs, and or studying other organizations’ operation procedures).
- Publishing and distributing this new knowledge inside the organization to others
- Utilizing this knowledge for improving or renovating operation, production and service procedures

The presented viewpoint affects the idea that “employees have added value for the organization”. The metaphor of the idea that “employees are hands that have been employed” is changing to the idea that “employees are brains that have been employed by the organization”.

Therefore, based on this point of view human resources development plays a principal role in employee training and creating a learning culture in the organization and should accompany the development of effective tourists for the movement towards the learning organization.

Section 3:

The current era is the era of accelerated change, and uncertainty towards the future and lack of sufficient accessible and information for management decision-making. Changes which if the organization does not conform to, may lead to a screeching halt of the organization’s movement. Therefore, organization must have a constant characteristic, continuous change and conformity, which is the principal informant of learning organizations. In order to create a learning environment and a learning organization capable of responding to the ever competitive business environment, a learning organization can be considered a system comprising of four sub-systems (Serrat, 2009) which include technology, knowledge, individuals, and organization. According to figure
(5), a learning organization is a house which requires four columns for its structure. Without these columns, the house cannot be built.

Figure (5): Role of human resources development in creating learning organizations based on Serrat’s point of view

The success of learning organizations is dependent on their ability in rapid and suitable response towards environmental changes. This suitable reaction results from the foundations of learning organizations. Following, we will further discuss these sub-systems:

1. **Organization**: Creating a suitable structure in establishing a learning organization is essential. Therefore, in order to encourage learning, organizations must move away from mechanist structures and select a live and flexible structure. It seems that advocates of the learning organization emphasize on characteristics such as the flat organization, local privileges, and trust and unit collaborations.
In addition, it is clear that in learning organizations, the role of management is not traditional and hierarchical. In these organizations managers are organizational planners, teachers, agents and coordinators of professional groups. Performing this role requires modern skills, knowledge, experience, ability and constructive power with common points of view in the organization. Managers in learning organizations must be capable of playing the role of architecture and engineering of knowledge effectively.

In addition, in a learning organization, the principal task of a manager is to create organizational behavior and form its change. The manager can encourage freedom of speech and facilitate communications. Managers and leaders of learning organizations know that the answers to problems are in the hand of employees. Therefore, paying attention to organizational structure and managing the creation of learning organizations is effective.

2. Knowledge: In the 80s and 90s, organizations in encountering intense environmental changes came to a conclusion that in order to counter harsh conditions, moving towards learning is inevitable. It should be noted that the learning rate of the organization must be faster than environmental changes. A learning organization strives to overcome environmental evolution and emphasizes on continuous knowledge learning. In a learning organization, knowledge must flow in all levels of the organization, and based on these changes, the organization learns how to overcome market changes and competitor strategies.

Places where knowledge exists include:

1. Inside individuals (embodied), (embrained)

2. Outside individuals (dialogue), (routine tasks), (symbols, words and documentation)

What is effective in creating a learning organization is that knowledge must be recorded inside the organization’s memory (e.g. routine tasks, regulations and procedures, documentation and culture). Therefore, individually obtained knowledge is transferred to the organization’s memory. In an organization, individuals possess a nature of learning. Although team learning is mentioned, yet knowledge is attached to individuals, and transfer of knowledge occurs between individuals (Ortenblad, 1998).

Therefore, paying attention to knowledge is important in creating a learning organization.

3. Technology: Considering evolutions, success is an achievement of organization which has a clear vision regarding what they do, and who possess powerful management and organizational systems. In this path, managers do not neglect utilizing required tools and take advantage of these tools and technologies using latest methods
of application to guide the organization towards value making and learning. Information systems are one of the tools that aid managers in decision-making, planning, and action. Although, information systems have various architectures and based on environment and field of utilization, have certain importance and levels of application. Today by creating IT-based systems such as CRM, Supply chain management and organizational intelligence, decision-making has become a much easier task for managers. Hence, based on provided facts, IT-based information systems are utilized to provide access to information within the organization. Such a system must save incoming information and retrieve it, and by means of computer systems, must facilitate information transfer and information access in the organization. Therefore, knowledge and information flows within the organization and employees can access their required knowledge and in this way, learning increases within the organization. Therefore, paying attention to technology plays an important role in creating learning organizations.

4. Individuals: Organization employees are one of the main foundations in implementing a learning organization. The organization’s ability to learn is hidden in its employees. Therefore, employee learning is a pre-requisite for organizational learning. In every organization, human resources development plays a principal role in employee learning and creating a learning organization is dependent on employee learning. In fact, organization employees are the elements that provide the basis for characterizing learning in an organization based on the following reasons:

- Obtaining or creating new knowledge (e.g. by means of daily work experiences, studying new technological breakthroughs or by means of learning work procedures of other organizations).
- Publishing this new knowledge inside the organization
- Implementing new knowledge in improving and renovating operation procedures, production, and services

Honlod describes a learning organization as: “A learning organization is an organization in which members are always learning new things and apply what they learn in order to improve the quality of production and services, production processes, service providing and employee workplace and their performance (Honlod, 1991).

Therefore, the main part of human resources development is creating suitable grounds for employee learning in the direction of moving towards a learning organization.

As seen in figure (5), management science influences the organization, human resources development influences individuals, cognition philosophy influences knowledge, computer science influences technology and results in the creation of a learning organization surrounded by a very competitive environment.
5. Conclusion

Based on obtained results, the concept of learning organizations is vastly used by many companies around the world. The characteristics of learning organizations are beneficial in solving many problems of today's organizations. The most important thought of learning organizations in Peter Senge's point of view is "every goal is achieved based on what we think, what we really want, how we communicate with others and how we learn from them" (Senge, 1990).

Human resources development plays the most important role in transferring traditional organizations towards becoming learning organizations.

In this research based on three proposed models, the role of human resources development was examined. In the first section, based on Peter Senge's learning organization model, the role of human resources development was examined in five components of the learning organization and concluded that human resources development plays an effective role in all five components of the learning organization and plays a principal role in moving the organization towards learning. In the second section, we examined the role of human resources development based on the traveller-tourist model and concluded that based on this point of view, human resources development plays a principal role in employee training and creating a learning culture inside the organization, and we should strive to develop tourists effective in moving towards a learning organization.

In the third section we examined the role of human resources development based on Seraat's model and concluded that four foundations are required in order to establish a learning organization (organization, knowledge, individuals, and technology). Management science influences the organization, human resources development influences individuals, cognition philosophy influences knowledge, computer science influences technology and results in the creation of a learning organization surrounded by a very competitive environment.

Therefore in each organization in the hyper industrial and information era, human resources development plays a principal role in employee learning and creating a learning organization is dependent on employee learning.

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