

Learning Tools for Business Transformations

(Appendix 12)

Change? How? These are typical responses from management when major corporate transformations are required to move an organization from survival mode to having the once lost competitive advantage regained. After achieving the competitive advantage, management must also learn to how evaluate the organization on a routine basis and make the required adjustments in order to thrive in an ever-changing global economy.

Using Learning Organization Tools in Strategic Management Process

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Businesses use strategy as a road map to achieve a mission or destination. In obtaining this strategy, learning organization concepts and theories are utilized to obtain a strong competitive advantage. Having a strong competitive advantage in learning will enable the firm to analyze competitors, internal and external forces of learning and in essence, become the top leader in the industry.

The essential part of a business is to define its reasoning; the vision, mission, and values; analyzing its environment; and its experience in learning (Green). For learning organizations, understanding what the business will do, who is important, and the direction of the firm will define the business. Mintzberg gave strategies for redefining and reducing the scope. This involves a firm to be better innovators for markets, functions, and products; recombining business units, and relocating the core. Therefore, learning organizations will then understand the purpose of the business. Gaining support for the vision, mission and values according to Goh and Richards are part of the building blocks of an organization. The vision, mission, and values help direct and guide the firm in daily operations, crisis management, and provide a direction for the future. Understanding the environment is essential for the firms' survival in today's stiff business world and is in relation to defining the business. Having relationships and defining the attitude about relationships define a learning organization. Addleson believes that relationships are important; however, our relationships define the boundaries. Analyzing the environment is about how an organization relates to external factors such as political, technological and internal factors like culture and structure. The boundaries that exist determine how well or how strong its relationship is with the total environment. An organizations learning experience curve is related to Garvin's five main activities of learning: systematic problem solving, experimentation, learning from past experience, learning from others, and transferring that knowledge to others and on paper. Combining the learning curve and Garvin's activities in learning will enable the firm to obtain knowledge that is beyond any competitors. The process of learning will enable a firm to understand the essential parts of understanding its inner being and how it relates to the market.

Now that the business has been defined, environment scanned, and learning has been evaluated, firms need to benchmark their processes to see what can be done better, develop synergy, and bring in management to develop strategic plans (Green). Benchmarking in learning organizations utilizes Goh and Richards' strategic building blocks as it compares itself to others in the industry and where it would like to be—and how the strategy it will use. These building blocks are as follows: clarity and support for the vision, mission, and values; shared leadership and involvement; cultured of experimentation; the ability to transfer knowledge across boundaries; teamwork and cooperation within the firm. The synergy that a firm builds relates to Addleson's five axioms: relationships, orientation towards others, obligations—where the chain of command does not count, boundaries defined by relationships, crossing boundaries are situational and can't really be managed. Relationships and boundaries only begin to define the synergy or the uniqueness that a firm has in how all things work together and fit together. Garvin's first steps in learning are to reflect on what has been learned, review through forums and do this in a continuous process. This is where management will analyze the results of learning and how that can be processed in strategic plans. Planning in learning organizations utilizes Fulmer's second generation of learning tools. Making strategic plans employ the concepts of dialogue, scenario planning, Merlin's exercise of planning for the future and walk backwards, action learning, practice fields, and how to manage the knowledge learned. Using learning ideas and theories will increase the synergy, enhance the benchmarking capabilities and enable management to make more efficient strategic plans.

After benchmarking and strategic plans have been made, implementing strategies, evaluating change, and the levels of strategy and conflicts of strategies are analyzed next in the process of having a strong competitive advantage (Green). Two types of strategies are implemented in firms: intended or planned strategy and realized or emergent strategy. Determining which strategy is selected depends on how much learning takes place and how in-depth the learning process has been. Changes that take place as a result of either strategy in firms are either discrete, unplanned changes, or continuous, planned changes. Therefore, two ways a firm learns from these strategies are either adaptive or generative. Senge has defined adaptive learning as being a limited learning process from changes that have not been planned for, i.e., using the intended strategy, but the true strategy is the realized strategy. The other side of learning is generative learning as where there is freedom and a proactive measure to stay on top of things, i.e., realizing the emergent strategy and using it as the strategy to implement. When implementing strategy, Porter has developed three typologies of generic strategies (Green). The three types are being a cost leader a market, having unique differentiation, and focus strategy where a firm attempts to be a cost leader and have market differentiation. Conflicts in strategy come from the learning process of three subculture barriers. Schien has defined three subculture barriers in a firm as executive, engineering, and operating that creates conflict and can inhibit the success of the strategies that Porter has defined—or any other thought of strategies. For example, the operator may see the firm's strategy as being focus, where as engineering would view the firm as becoming one of differentiation, and the executive—the most important—sees the firm as a cost leader. Having different ideas is not a bad idea in firms, but when these cultures are not focusing on the same strategy, conflict will arise, and the idea of learning as a competitive advantage will be lost.

After the strategy has been implemented and changes have begun to take place, the competitive advantage of a firm in using learning organization ideas and theory will help a firm to do a successful SWOT analysis. Forces that lie behind the strategy of learning, assessing the forces, and analyzing competitors will become a competitive advantage in itself.

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