Creating a Learning Organization
Graeme Nichol, MBA and Nicola Knipscheer, M.S.

When Peter Senge’s book ‘The Fifth Discipline’ was first published in 1990 it created quite a stir and gave people a look into a company that most people would love to create and prefer to work for. The question, however, has always been how do you create this ideal Learning Organization.

While Peter Senge was developing and testing his theories at MIT, on the other side of the world Innay Ditzler was refining a method to bring business teams together so that the team could produce superior results in their company. Through her company Best Year Yet she has developed a facilitated process that generates focus, alignment and accountability amongst team members.

The facilitated process that a team goes through on Best Year Yet results in the creation of a learning team. The team learns to work collaboratively, learn from their mistakes and continually challenge their assumptions about reality. A management team that takes on Best Year Yet will begin to appreciate the big picture view of their organization as they work together to achieve a long term vision. Once a learning team has been created that vision and culture can be passed on to the rest of the organization.

There are five disciplines inherent in a Learning Organization. We will discuss each of these disciplines and their benefits. We will then show how Best Year Yet applies these disciplines and achieves proven results for companies. Peter Senge was right in believing that a Learning Organization can achieve tremendous results. This is proven time and again in the results Best Year Yet clients have achieved.
Disciplines of the Learning Organization

**Individual Learning**

An organization is made up of people, it is not a living organism and therefore cannot learn in itself. The people within the organization can however learn, therefore a Learning Organization cannot exist if the people in the organization do not learn.

A Learning Organization is one where employees have the ability to honestly and openly see reality as it exists. They have the ability to compare reality with perceptions; reconciling both into a coherent understanding. They are motivated and are continually expanding their horizons and learning. People that are continually learning are aware of their ignorance and their growth areas. The journey is the reward and there is never a destination.

A learning individual must also be able to clarify what is important to them, what they would like to achieve out of life. What is important to a person now will not be the same as what will be important in 5 or 10 years time. You therefore need to continually evaluate the path you are on and ensure that it is the path that you want and will take you to your desired destination. Everyone needs a vision to move forward.

If you have achieved your vision there is no need to learn and grow. There should therefore always be a gap between what you have now, or where you are now and where you would like to be in the future. The tension that this gap creates is the reason for our learning and growing.

In essence this gap can be seen as failure, a gap between our current reality and our vision. Failure is therefore an opportunity for learning. It is about learning why we are where we are at the moment and how we intend to achieve our vision. It is therefore important to have a thorough accurate understanding of your current reality.

Learning people are generally more committed, they have more initiative and take on more responsibility. They learn
faster and therefore add more to the organization. But it is important to remember that embarking on a path of personal growth is a matter of choice. No one can be forced to learn and grow, to do so will have the opposite effect.

Assumptions
We all have assumptions or what Peter Senge calls ‘Mental Models.’ These are deeply held images of how we believe the world works. These deeply held images affect how we see things. The same event can therefore be interpreted differently by two people as what they see is affected by their mental models.

We most likely have deeply held assumptions about our company, our product, our market and our competition that we have held to be true for a while. The problem is that as the world changes those assumptions will deviate more and more from reality. Unless we are willing to continually reassess our assumptions and test and measure them we are vulnerable to serious problems.

The problem with deep seated mental models is that even when new strategies are proved to be superior to the old ones, the organization often reverts back to the old strategies. These deeply held assumptions keep the old strategy in place in spite of all information supporting a new approach. The new approach has to be worked on; it can’t be paid lip service and ignored. It has to become a new mental model that all can see and validate for themselves. If this doesn’t happen then the old strategies appear to re prove themselves! What is assumed to be true, becomes true; a self-fulfilling prophecy! The organization doesn’t learn and slides backwards.

How do you determine if your mental models are valid or merely the result of a leap of assumption? An assumption based on biased, antiquated thinking. The key is in honest investigation - the ability to give your point of view and have a peer to peer dialogue that generates true understanding. If in a meeting there are no questions being asked then there is no honest investigation going on. You cannot understand somebody else’s point of view unless you ask questions. Asking and answering questions is the beginning of creating a dialogue. Stating your position more firmly each time a
question is asked or your ideas challenged is authoritarian and no way to achieve dialogue or to develop a learning organization, especially amongst your peers.

In a learning organization people are able to come together as peers to find the best mental models. In this environment there are no deep seated assumptions just the desire to find the right solution or develop a new system in a collaborative environment.

**Shared Vision**

Peter Senge, in his book “The Fifth Discipline” describes a shared vision as “… a force in people’s hearts, a force of impressive power….At its simplest level, a shared vision is the answer to the question, “What do we want to create?” A shared vision is a picture that everyone in the company carries in their heads and hearts. With a shared vision everyone has a common destination and a common picture. They work together as a team, supporting and encouraging each other. There is no competition between people, therefore there is no need to pass blame or hide failures. Each activity leads to common learning and development.

So what does a shared vision do for your company? It converts ‘the company’ into ‘our company’. It creates a sense of commonality and gives coherence to diverse activities. It creates excitement and leads to the making of an extraordinary company. It allows everyone to work together, and learn from one another as well as allowing people to communicate as equals. It creates a common identity with a sense of purpose. It encourages new ways of thinking and acting. It gives courage and fosters risk taking and experimentation, because people realize they won’t be chastised for getting it wrong the first time. People realize the rewards of experimentation outweigh the losses. Without a shared vision the learning organization cannot begin to exist. It’s a powerful concept.

So how do you build a shared vision? It is not by top management going on a retreat, returning with the magic tablets from the wise man and with a vision written by consultant facilitators. It is not by telling the staff that everyone now
needs to adapt and follow them. In an authoritarian organization you could just give a command and hope for results. Hopefully your organization isn’t authoritarian and has seen the light of the new dawn. A shared vision should build on individuals personal visions, it should start with their input and at every level it should be tested. Yes, management does have input, but not without involvement and feedback from all levels.

Creating a vision is a never ending and key part of a leader’s position. A vision should be living and evident on a daily basis. The top need to be in touch with the personal visions of individuals so their ideas can reach the top. Leaders should always be asking for support and be sharing their personal visions. They should be listening. Building a shared vision does not happen in a week, it takes time to evolve and grow. It requires individuals be free to express their opinions, ideas and dreams and more importantly the ability of everyone to really listen to other points of view.

For a vision to work it must also tie in with the companies values. Values determine how you want to act on a day to day basis.

**Team learning**

It’s a fact that a team that works as a team is able to produce results over and above the sum of the abilities of the individual. This only happens when the team functions as one, when team members share a common vision and when they are all pulling in the same direction. It’s pure poetry in motion when this occurs. The experiences are discussed for decades.

Usually, however, a team is made up of a group of individuals who are headed in different directions. This lack of alignment between team members results in a lot of wasted energy as work done does not translate into team effort.

In an unaligned team everyone is headed in a different direction:

![Diagram](image-url)
In an aligned team there is synergy, a common purpose, a shared vision and improved results:

Team learning is the process of aligning the team and developing the capacity of the team to create results that they truly desire. It is about developing a shared vision within the team and building individual learning, because talented teams are made up of talented individuals. Learning teams are the beginning of a learning organization and provide a base for the organization to learn from its failures and to put insights into action.

Within organizations, Senge maintains that team learning has three critical dimensions:

- The ability to tap the many minds of the team. In many organizations the intelligence of the team is often less than the intelligence of the team members. A learning team has greater intelligence
- Innovative, coordinated action. Where team members act in ways that complement each others’ actions.
- The role that team members play on other teams. Members of learning teams are able to pass their learnings to other teams and therefore encourage learning throughout the organization creating a Learning Organization.

To create a learning team requires the ability of the team to engage in dialogue rather than discussion. Many people feel they have the need to be right and the need to have their opinion be the winning one. They want to be the ‘hero’ manager and provide ‘the’ definitive answer or solution to the problem. But to create lasting change in a business and to empower people to do the work they need to do requires the ability of team members to listen to one another, question one another and learn form one another.

In a dialogue the listener’s views are suspended and there is a free exploration
of complex ideas. On the other hand, during a discussion views are presented and defended and there is a search for the best view. Dialogue does not involve the defense of an idea but the exploration of views and the generation of further ideas. To ensure that a team engages in dialogue, team members need regard one another as colleagues and there must be a facilitator to guide the conversation to achieve meaningful levels of dialogue. The facilitator will ensure the free flow of ideas and that there are no limiting assumptions underlying the dialogue. In this forum the results created are far superior to those created by any individual. This is the power of a learning team.

Team learning does not just happen it requires practice. As teams practice they will improve. During this practice it is important for teams to deal with the forces opposing team learning. Forces such as groupthink - this is not the same as group intelligence. In groupthink individuals have succumbed to group pressure and conflict has been smoothed over to prevent threat or embarrassment. As a result no learning has taken place.

**Systems thinking**

Systems thinking is the ability to see the entire complex dynamic reality. In our everyday life we tend to break down organizations, situations and everything else into sound bites that we can comprehend. The problem is that each bite is interdependent on the other bites.

“Dividing an elephant in two does not yield two small elephants”

A management team is comprised of individuals from different disciplines. Each comes to the table seeing the organization from their point of view with their own assumptions. This makes it virtually impossible for the team to form a shared vision using normal conversation. Have you ever wondered why the strategies that the management team comes up with are watered down compromises based on assumptions and full of contradictions?

Systems thinking is the ability to see interrelationships rather than linear cause-effect; the ability to think in context and appreciate the consequences of actions on other parts of the system.
Benefits of a Learning Organization

The benefits of a learning organization are numerous. Overall the creation of a learning organization will lead to improved results and the achievement of results that the organization truly wants to achieve. Achieving improved results is really the name of the game. Improved results will build on improved results. This certainly motivates employees and captures their attention.

Benefits of developing learning individuals:
Learning individuals are able to see the gap between their current reality and where they would like to be. This gap is referred to as creative tension as it generates ideas and is the reason and motivation for learning and growing. Learning individuals therefore are generally more motivated and more committed. They have more initiative and take on more responsibility. They learn faster and therefore add more to the organization.

Benefits of removing deep seated assumption:
Incorrect or invalid assumptions result in the wrong conclusion and therefore the wrong actions being taken by the company. The assumptions we hold today could have at some stage been correct but a changing world results in changing situations. Therefore assumptions need to be continually evaluated so that a problem or situation can be evaluated correctly leading to the correct action and the achievement of desired results.

Benefits of achieving a shared vision:
A shared vision converts the company into “our company.” It generates a sense of commonality and gives coherence to diverse activities. It creates excitement and makes an extraordinary company. It encourages new ways of thinking and acting. It
gives courage and fosters risk
taking and experimentation.

**Benefits of team learning:**
Team learning occurs when the
team functions as a whole and
the intelligence of the team
appears greater than the
individuals. The team is therefore
able to produce results over and
above individuals abilities. Team
learning creates alignment and
alignment generates synergy, a
common purpose, a shared vision
which lead to improved results.
A learning team is the basis of a
learning organization as they are
able to pass their learnings on to
the rest of the organization and
therefore encourage learning
throughout the organization.

**Benefits of system thinking:**
Many of the problems in an
organization come from dividing
up functions, roles and
responsibilities. Although this
makes sense as no one person
can be expected to know
everything it results it an
inability to see the organization
as a complex interrelated
dynamic reality. We fail to see
how making a change in one area
affects other areas as we act in
isolation. System thinking
teaches us to see the entire
organization as one entity where
each part is vital to its survival. It
helps make better decisions,
leading to better results.

**A Solution to Attaining a Learning Organization**

There are numerous benefits to creating
a learning organization but the process is
often seen as a difficult or impossible
task, discouraging even the attempt.
Consider that the average life span of a
large industrial company is 40 years.
This is half of an individual’s life span.
The reason for the short life span is the
inability of most organizations to learn,
to adapt and to grow as a living
organism would.
The world is changing rapidly. Everyday
we battle with how to keep up and get
ahead in this changing world. The only way we can successfully move ahead is by constantly learning and adapting ourselves. We, as individuals, and our organizations therefore need to keep learning. And creating a learning organization becomes vital for our company to stay alive and grow. It is vital for companies wanting to achieve the results they desire.

So that leaves the big question; how on earth does one ever create this nirvana? Is it cost effective or cost prohibitive? It’s actually fairly easy and cost effective. Many large and small organizations have discovered how and are reaping enormous rewards.

**Best Year Yet**

Best Year Yet was initially developed to help individuals achieve the results that had constantly been eluding them. During the 1990’s the success that was achieved in helping individuals was adapted to help teams achieve their goals. Best Year Yet is a transformation process. It is not an instant solution generated in a workshop but a year long program that teaches new ideas and new ways of acting. Transformation is critical because “If you carry on doing what you have always done, you will get what you have always got.”

Best Year Yet is successful as it allows teams prepare, cultivate and transform the environment in which they operate to ensure the team achieves the results they desire. Too often teams set goals and objectives for the year ahead without ensuring that there is a possibility that they can actually achieve the goals, that the environment, the people, the desire are all conducive to success.

To ensure success the Best Year Yet program is based on five principals of transformation. The purpose is to transform the environment so that the goals that are set at the end of the exercise will succeed and produce results. Following the principals creates a learning team leading to a learning organization that achieves results.

The principals of transformation are:

1. **Appreciate Success.** We are usually quick to criticize, but slow to praise. Unless we appreciate our successes, a goal achieved, thanks obtained, an
improved situation we will never truly understand what we are good at. Sometimes success is obtained ‘by luck’ and without analyzing how we obtained that success we will not be able to reproduce the results.

2. **Learn your lessons.** Although we often concentrate on and remember where we slipped up we usually do not see the mistake as a learning opportunity. A mistake is usually seen as something that should be ignored and forgotten. By doing this we lose a valuable opportunity to learn and ensure that the mistake is not made again. That processes are changed, decisions are altered or objectives refined to accommodate our learnings.

3. **Shift your limiting assumptions.** Too often we take an assumption and treat it as a fact. We base our action plans and our objectives on an incorrect base and then wonder why we don’t achieve the results we wanted. It is important that we examine each of our assumptions and change those that limit the results we wish to achieve. If you keep on trying to achieve a particular result with no success then there is probably a strong belief controlling and limiting your actions.

4. **Live your values.** It is important that your actions and goals are consistent with your values. No person or team can be successful by trying to do something that they do not believe in. Living your values is the same as a shared vision “…a force in people’s hearts, a force of impressive power…” It comes from the heart.

5. **Set goals.** The results you truly desire cannot be achieved unless you decide what you desire and set goals and action plans to achieve those goals. Setting goals is the last principal that will set you up for success.

Building a learning organization is about creating an environment that is conducive to achieving results. The Best Year Yet principals of transformation have the same objective. Besides the principals of transformation, Best Year
Yet also requires that the team adopt a number of ground rules to govern the functioning of the team and the implementation of the program. These ground rules include:

- respect other’s points of view
- work for the good of the team
- agree on what you will support
- speak openly and honestly
- participate fully

These ground rules are the basis for encouraging dialogue instead of discussion. During dialogue there is a free exploration of complex ideas and the listener’s views are suspended. On the other hand discussion involves the presentation and defense of ideas. Respecting other’s points of view is the beginning of truly listening and evaluating. Best Year Yet refers to this as active listening. The ability to speak openly and honestly is also a basis for dialogue.

It is important that team members agree on what they will support as this works towards the attainment of a shared vision and committed team members as opposed to compliant team members. Committed team members also participate fully and are not only along for the ride.

**Conclusion**

Both Best Year Yet and the creation of a learning organization are based around the principal of transforming the environment so that the team can achieve the results they desire. They both encourage learning of the individual and the team. They both encourage dialogue as opposed to discussion and they both call on the team to share a vision which drives their action to achieve their results. Both lead to focus, alignment, accountability and therefore RESULTS.

If you have played with the idea of creating a learning organization, Best Year Yet will give you the opportunity to start the process and begin to achieve the results you know your company is capable of. It is neither time consuming or expensive but does deliver bottom line results.
References:

**Arcturus Advisors** works with business teams where individual members spend more time protecting their turf and their image than working together. We get team members to value and respect the individual members and achieve results that far exceed individual contribution.

Graeme Nichol, principal, has worked on 4 continents gaining experience through Big Six consulting companies and boutique firms. Including; Business strategy, project management, change management, systems thinking, developing learning organizations, team development, productivity and quality improvement, and large scale ERP implementations.
Nicola Knipscheer, principal, has a strong analytical background with an M.S. degree and a CFA (Chartered Financial Analyst). She has worked in forestry, health care, pension fund, investment and technology companies; and has extensive experience helping start up businesses get off the ground.

[www.ArcturusAdvisors.com](http://www.ArcturusAdvisors.com)  (866) 593-2207