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The importance of organizational learning for organizational sustainability

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# The importance of organizational learning for organizational sustainability

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## Abstract

**Purpose** – This Special Issue is intended to heighten awareness of the importance of organizational learning in addressing the demands of organizational sustainability, and in particular triple bottom line (TBL) sustainability. A definition of TBL sustainability is provided, together with an exploration of the practical issues relevant to adopting organizational learning in addressing it. By exploring research and practitioner viewpoints bearing on sustainability-related applications of organizational learning, this Special Issue aims to help organizations remove barriers to achieving sustainability goals and catalyze the progress for an organization on its sustainability journey.

**Design/methodology/approach** – General sustainability-related concerns and challenges associated with organizational learning are reviewed, and individual authors voice their understanding of the application of organizational learning to particular aspects of sustainability based on their research, their case studies, and the extant literature.

**Findings** – Findings include enhanced understanding of the incompatibility of single- and double loop learning in TBL sustainability contexts, and the required emphasis on double-loop learning to progress sustainability aims successfully. The effectiveness of dialogic interaction is described in achieving a transition towards sustainability in people, organizations and society as a whole. How individual worldviews called “our ecological selves” allow creation of the conditions for confronting global environmental challenges is explained. Contributions are made to the understanding of hybrid organizations through the case of a Brazilian networked organization, and a paradox view of management based on the theories of organizational learning and managerial cybernetics is applied to enlighten the understanding of sustainability. The learning and adaptive system of the US commercial aviation industry is explored and the application of such a system in an organization operating according to triple bottom line sustainability principles is described.

**Originality/value** – The opinions and research presented provide new and unique understanding of how organizational learning may contribute to organizational sustainability. Further value is added via the assessment of means to progress the sustainability ideal, the identification of barriers, and the many practical examples of means to facilitate progress toward that ideal.

**Keywords** TBL sustainability, Organizational learning, Dialogic interaction, Ecological selves, Hybrid organization, Paradox, Learning and adaptive system, Sustainable development, Organizations

**Paper type** Viewpoint

In his inaugural Editorial for *The Learning Organization: An International Journal (TLO)*, Henk Eijkman (2011, p. 170) stated that “I would like to see *TLO* having a reputation in the field for providing opportunities for asking, and responding to, deeper questions and issues pertaining to the broad LO field. To place on the agenda the values and assumptions that underpin notions of learning, knowledge, change, and social relations as well as a closer look at the impact of socio-cultural/political contexts and organizational power arrangements”. In the spirit of this aspiration, one Special



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Issue (SI) in 2009 and two SIs in 2011 have been published devoted to the important topic of organizational sustainability.

A contemporary definition of sustainability relevant to organizations is given in Smith and Scharicz (2011, pp. 73-4) as: “the result of the activities of an organization, voluntary or governed by law, that demonstrate the ability of the organization to maintain viable its business operations (including financial viability as appropriate) whilst not negatively impacting any social or ecological systems”. This definition is based on the work of the Brundtland Commission (United Nations Department of Economic and Social Affairs, 1987) and that of Elkington (1999).

The first of these three SIs (Putnik, 2009) with the title “Complexity and learning for management and sustainability in turbulent environments”, focused on demonstrating the validity and utility of complexity and learning approaches in the subject area. The second SI (Smith, 2011), with the title “Elements of organizational sustainability”, attempted an exploration of the systemic issues which influence organizational attitudes in attempting to achieve TBL sustainability. Judging from the *TLO* download statistics, these SIs have been well read, and hopefully have met their objectives of providing both insightful theoretical and practical pointers for addressing sustainability related issues. The SI presented here concentrates on organizational learning (OL) and sustainability – a natural choice given *TLO*'s historical focus on the learning organization, and given the important position that OL occupies from a systems perspective on the TBL sustainability journey (Waddell, 2011, p. 19; Smith and Scharicz, 2011, pp. 79-81) and the sophisticated problems that are associated with OL in regard to organizational change efforts (Gharajedaghi, 1999; Wang and Rafiq, 2009; Van Grinsven and Visser, 2011; Smith, 2011).

*TLO*'s efforts to encourage and provide visibility for research and practice based studies regarding sustainability, although still minor, are at odds with the seemingly low publication interest displayed by academe; this judgment is based on an informal search of the Emerald database for papers addressing sustainability-related concerns for the five-year period 2007-2011, which yielded relatively few hits. Given the general buzz around sustainability, the lack of academic focus is surprising; however, this may be due to the lag in initiation of research projects concerning sustainability – a subject that only became front-line news in the last five years. A search for papers addressing the combination of sustainability and organizational learning yielded even more depressing results, and relatively few papers were even found addressing organizational learning specifically. Perhaps there is a feeling, as Yeo (2007) has suggested, that the notion of organizational learning has been over-emphasized in much of the management literature, or maybe it has simply become an unfashionable topic. In any event, I believe there are some unresolved questions in regard to how organizational learning is being applied to organizational sustainability, and these are set out below. The insightful views of the other contributors to this SI are summarized later.

Typically OL is regarded as the “detection and correction of error”, whereby an error is defined as the discrepancy between what members in an organizational context aspire to achieve and what they actually achieve (Van Grinsven and Visser, 2011, p. 379; Argyris and Schön, 1978; March and Olsen, 1975). There seems general agreement in the literature that OL may be accomplished along at least two dimensions but there may be more (Van Grinsven and Visser, 2011; Tseng and McLean, 2008). The basic two dimensions have a variety of names (Van Grinsven and Visser, 2011) and

organizational applications (Tseng and McLean, 2008), but have traditionally been termed single- and double-loop learning. Single-loop learning is “action-oriented, routine, and incremental, occurring within existing mental models, norms, policies and underlying assumptions” and double-loop learning “involves changing mental models, norms, policies and assumptions underlying day-to-day actions and routines” (Van Grinsven and Visser, 2011, p. 379).

The more complex, dynamic, turbulent, and threatening the organization’s environment, the more necessary double-loop learning is considered to be (Van Grinsven and Visser, 2011), although the more organizational governance and management will continue to adhere to single-loop learning and related action (Argyris, 1990, 1993). New directions implied by adoption of TBL sustainability pose a significant challenge in terms of governance (Elkington, 1999), and consequently raise questions regarding the role of the boards of directors, their specialist committees and their capacity to contribute (Wolff, 2011). Milliman *et al.* (2009) offer advice on how to bridge the divide between the executive and environmental functions of a business, and in so doing engage stakeholders in the sustainability process; however if single-loop learning continues to dominate senior level thinking, having the right answers to the wrong questions will only result in “greenwashing”. This may be why many environmental scientists believe denial is omnipresent in modern business and governmental organizations (Schwering, 2010). It is noteworthy that Dimitrov and Davey (2011) claim that the influence for firms to adopt sustainable development practices is driven largely by non-financial factors such as image rather than by the economic gains from a new business plan; this was corroborated by earlier findings (Dimitrov and Davey, 2011) and is again consistent with single-loop OL and “greenwashing”. It has become fashionable recently for organizations to adopt a TBL sustainability perspective in their corporate social responsibility (CSR) reporting (Smith and Sharicz, 2011), given that TBL reporting has become a competitive advantage for many business organizations for sustained profitability and growth (Sisaye, 2011); however, existing CSR models continue to be critiqued as being insufficient in providing an adequate understanding of CSR (Claydon, 2011). Claydon asserts that a more efficient model of CSR is required and proposes a new consumer-driven model of CSR that is more relevant to and reflective of the present day business environment; this would reflect the necessary second-order learning approach.

At a recent conference focusing on innovation and sustainability, the question of how innovation is viewed and applied in organizations in simple and complicated contexts versus how it might be applied in complex contexts was reviewed (Smith, 2011). Two expressions were introduced based on practices observed:

- (1) The expression “Learning to Innovate” was equated with innovation to improve core products and services, and was seen as consistent with innovation typically fostered in organizations operating in simple and complicated contexts.
- (2) The expression “Innovating to Learn” was associated with organizations operating in complex environments where predictability is at a premium, and it was equated with what Johnson (2010) terms the organization’s white space. White space is defined as “The range of potential activities not defined or addressed by the company’s current business model, that is, the opportunities outside its core and beyond its adjacencies that require a different business model to exploit” (Johnson, 2010, p. 7).

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Practical experience described at the conference indicated that many organizations are operating as if they were involved in simple or complicated contexts, rather than the reality of their current highly complex environments, and unfortunately the emphasis on Learning to Innovate, with its associated drain on organizational resources, reduces and eventually eliminates capability for Innovating to Learn. This is especially tragic in organizations pursuing the highly complex notion of triple bottom line sustainability, where rethinking the business plan is the critical priority, rather than innovation efforts (however praiseworthy) for example to save electricity and the like (Smith, 2011).

The parallels between innovation promotion and OL are clear. Van Grinsven and Visser (2011), citing Levinthal and March (1993) and March (1991), observe that efforts to enhance learning on one dimension may limit success on the other since single- and double-loop OL compete for the same limited organizational resources. These authors also note that single-loop and double-loop OL may actually exhibit reciprocal disrupting effects since single-loop involves changes with “action-oriented, routine, and incremental, occurring within existing mental models, norms, policies and underlying assumptions” (Van Grinsven and Visser, 2011, p. 379) whilst second-order learning challenges the very frameworks and assumptions that underlie such actions and routines. Van Grinsven and Visser (2011) further cite Gharajedaghi (1999) to the effect that the two dimensions of learning are indeed more or less incompatible and organizations may have to face trade-offs in learning. This conclusion is further substantiated by a quote by Warner Burke (2011) that was brought to my attention by Dr Carol Scharicz (2011): Burke writes “With respects to revolutionary (also known as transformational change) change and evolutionary change (also known as transactional change), the mounting evidence is impressive that change in organizations does indeed take one, but rarely both, of these two paths” Burke (2011, p. 156).

Furthermore, Hislop (2005) equates aspects of knowledge management (KM) to single-loop learning; given the current accent on all aspects of KM through socialization, Enterprise 2 and the like, caution seems warranted that the single-loop learning being promoted in organizations does not inadvertently prevent promotion via socio-technological means of the critical double-loop learning required to deal with the current complex organizational contexts, and in particular, the ability to successfully address TBL sustainability.

In summary, there appear to be still many opportunities for researchers and practitioners to contribute to an understanding of how organizational learning (and innovation and KM) may be optimally and systemically introduced and progressed in organizations traveling on a TBL sustainability journey. Further insights are provided in the following five papers, where valuable explanations, ideas and tools for further research and development, and concrete applications, are presented by a distinguished panel of authors.

Our first paper, by Arjen E.J. Wals and Lisa Schwarzin, entitled “Fostering organizational sustainability through dialogical interaction”, introduces and investigates dialogic interaction in achieving a transition towards sustainability in people, organizations and society as a whole. Sustainability competence as a potential outcome of such interaction is introduced referring to the capacities and qualities people, and the organizations and communities of which they are part and need in order to address sustainability. Two case studies ground the argument in real efforts by communities to create a more sustainable way of living. The results include a

post-normal understanding of sustainability highlighting uncertainty, complexity, normativity, controversy and indeterminacy; a framework facilitating dialogic interaction; and key competences that appear conducive to both dialogic interaction and a transition to sustainability.

The next paper, by Katrina S. Rogers, entitled “Exploring our ecological selves within learning organizations”, explores the connection between individual worldviews called “our ecological selves” and organizational change, allowing creation of the conditions for confronting the global environmental challenges we face as a species. The eight ecological selves are the Eco-Guardian, the Eco-Warrior, the Eco-Manager, the Eco-Strategist, the Eco-Radical, the Eco-Holist, the Eco-Integralist, and the Eco-Sage. This framework, which is derived from developmental stage theory, is a useful tool for understanding how individual actions are shaped by our identity and values. Implications for understanding organizational culture are considered. The paper argues that creating an ecological selves inventory is useful in understanding how leaders create the conditions for sustainability in their organizations.

The third paper, by Carolina Turcato, Luciano Barin-Cruz, and Eugenio Pedrozo, entitled “Internal and external pressures: how does an organic cotton production network learn to keep its hybrid nature?”, contributes to the literature on hybrid organizations by suggesting that in the case of networked organizations, the network has to learn how to engineer a compromise among internal members and to enforce change among external institutions to maintain its sustainability. The study was performed in Brazil, and this study informs managers of social economy organizations on how to deal with internal and external pressures to maintain their organization’s sustainability as well as policy makers on the importance of these alternative organizations and the importance of specific legislation to stimulate this type of initiative.

The paper by Gabriel Ramirez on “Sustainable development: paradoxes, misunderstandings and learning organizations” is based on the theories of organizational learning and managerial cybernetics, applied to sustainability under the paradox view of management. Most of the problems dealing with sustainability have to do with its dual and contradictory nature. That paradoxical reality is in no way a unique feature of sustainability; its universal pervasiveness is demonstrated by the attention that western and eastern philosophies have given to it. This paper describes paradoxes that arise in managerial and organizational learning processes and proposes a taxonomy. It pays special attention to the central paradox “complexifying” and to reductionism-holism in science.

Our final paper, by John Pourdehnad and Peter A.C. Smith, “Sustainability, organizational learning, and lessons learned from aviation”, claims that although the importance of organizational learning for sustainability has been stressed by a number of authors in the literature, the practicalities of how organizational leaders might foster such learning are seldom treated. In this regard, the exemplary safety record of the US commercial aviation industry is explored and the functions of its learning and adaptive system are reviewed. Application of such a system in an organization operating according to triple bottom line sustainability principles is described. The approach presented expands the steps of understanding, creating and delivering triple bottom line sustainability by changing internal processes, organizational learning, and employee mindsets.



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In closing, I express my sincere thanks for the effort and enthusiasm that all these authors have invested in sharing their insights and in illuminating our SI topic in their excellent papers. As always, the comments of you the reader will be are much appreciated.

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#### **About the Guest Editor**

Peter A.C. Smith is President, The Leadership Alliance, Inc., a wholly "complex adaptive systems" based consortium of global Associates. Peter maintains a worldwide consulting practice focused on assisting leading public and private sector organizations progress their TBL sustainability journeys based on his proven expertise in OL and the development of the necessary systemic organizational and personal capabilities in traditional business environments as well as in currently emerging networked contexts. He is Consulting Editor, *The Learning Organization*; publisher of *Journal of Knowledge Management Practice*, and Assistant Editor, *International Journal of Sociotechnology & Knowledge Development*. Peter has published widely in academic journals and books, and is in demand internationally as a speaker, workshop leader and conference chair. Peter A.C. Smith can be contacted at: [pasmith@tlainc.com](mailto:pasmith@tlainc.com)



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