THE LEARNING ORGANIZATION

Future-Proofing Through Collective Learning

July 2020

WDHB
Strategic Learning

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Future-Proofing Through Collective Learning

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WDHB

Foreword

About this Report

This report was written by Imane Terrab, WDHB Chief Strategy Officer, with support from WDHB Lab and WDHB's strategy and innovation team.

We would like to warmly thank all contributors for their insights:

Svenia Busson, Céline Cussac, Carlo Giardinetti, Katrina Moss, Michelle Ockers, Nigel Paine, Patricia Poon, Michael Segalla & Heather Waterhouse.

We also extend a special thanks to Claudio Mascolo for the design of this report, and to Aish Narang and Caitlin Leahy for their support in editing.

In 1989, WDHB was founded on the belief that learning is the core movement, through which organizations become living, changing organisms. The following year, Peter Senge published *The Fifth Discipline*, arguably one of the most important management books of our time. In this seminal book, he brought forth the notion of the Learning Organization as the main driver for organizational change.

Since then, his words have never ceased to inspire us on our journey to empower individuals and organizations to embrace change and create sustained transformation:

> *"Through learning we re-create ourselves. Through learning we become able to do something we never were able to do. Through learning we reperceive the world and our relationship to it. Through learning we extend our capacity to create, to be part of the generative process of life".*

Just 30 years after the publication of *The Fifth Discipline*, as the concept of Learning Organizations has become so widely used that it seems worn-out, we wanted to put it to the test: How relevant are Senge's five disciplines in the face of today's complex and fast-changing world? How do we move from an ideal vision into actually fostering a Learning Organization? And what does it mean for the people within it?

We hope that the following pages will provide enlightening perspectives to L&D professionals, and really to anyone interested in creating an environment oriented towards learning and change. We will explore how to effectively develop a growth mindset in the organization, create the conditions of trust, build shared purpose and develop systems thinking amongst all members of the organization.

We want to warmly thank all the experts and practitioners who helped us explore the cultures, behaviors and practices that make up a Learning Organization. We hope this will spark conversations and invite you to reach out to us if you want to learn more.

Please feel free to share your thoughts with us at lab@wdhb.com

Sunil Narang
President & Chief Executive Officer
WDHB

Introduction:
Beyond the Buzzword

Much has been written about Learning Organizations from academics and practitioners alike. The phrase is so often found in business magazines and management reviews that one rarely pauses to wonder what it really means. But when we come to think about it, the Learning Organization somehow feels like wishful thinking, or a figment of corporate imagination. Indeed, depending on the context, Learning Organizations are either envisioned as a gathering of proactive and self-directed learners, or as organizations with a higher than average capacity for change and adaptation.... All very appealing concepts, but they remain rather vague. This is why we decided to go on a quest to better understand what lies behind the elusive idea of Learning Organizations.

First, we thought we'd go back to basics. To do so, we revisited the seminal work of Schön, Argyris and Peter Senge, the authors that first brought forth the concept in management literature. Additionally, we looked at the most widely praised companies that seem to embody the ideal Learning Organizations, as well as lesser known organizations that have been making strides in this field. We reached out to experts who have been supporting organizations in bringing learning to the forefront and to practitioners who have been passionately advocating for it within their companies.

The following report is the result of this research. Based on the captivating insights we have gathered, we aim to enrich the definition of the Learning Organization and offer tangible recommendations on how to approach this ideal.

"The ability to learn faster than your competition may be the only sustainable competitive advantage."

Peter Senge

**Peter Senge's Five Disciplines of Learning Organizations**

In 1999, Peter M. Senge, was named a "Strategist of the Century" by the Journal of Business Strategy, one of only 24 men and women who have "had the greatest impact on the way we conduct business." His work on Learning Organizations is still considered a must read for business administration students, HR professionals and corporate leaders around the world.

For years, Peter Senge has worked at the Massachusetts Institute of Technology, studying how firms and organizations develop adaptive capabilities. But it was his 1990 book, *The Fifth Discipline*, that brought him firmly into the limelight and popularized the concept of the Learning Organization. Since its publication, more than a million copies have been sold, and in 1997, Harvard Business Review identified it as one of the seminal management books of the past 75 years. Senge's contribution remains a reference in the world of management because he is one of the best advocates for the need for dialogue and openness in order to overcome companies' learning deficiencies.

Senge defines the Learning Organization as an organization where *"people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together"*.

As Senge articulates it, the LO is the result of a combination of 5 disciplines that the organization develops collectively:

Personal Mastery (which we can equate to personal growth), **Mental Models** (the awareness that models shape our understanding of the world and the ability to challenge them), **Shared Vision** (and the possibility for all to work towards it), **Team Learning** (building an environment where creativity can flourish), and finally, **Systems Thinking** (looking beyond individuals to focus on the interactions within the system).
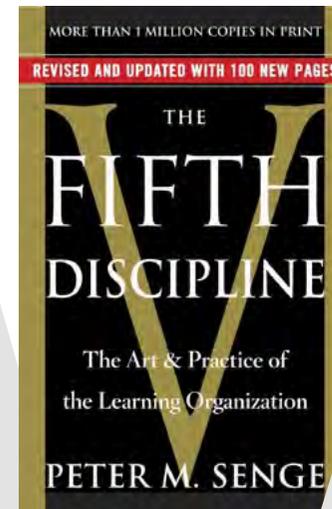
These disciplines articulate the link between learning, belonging and creating, both at the individual and at the collective level. In the next pages, we will take a closer look at each of them and try to update their definitions by sharing what we have learned from our research and our conversations with leading experts and practitioners. Furthermore, we will also look at the challenges and best practices in order to implement these disciplines in today's fast-moving organizations.

Each chapter ends with recommendations for organizational leaders as well as people development professionals. **Put together, these provide us with a renewed and augmented Learning Organizations Model, which includes a leadership framework on the one hand, and an agenda for people development on the other hand.**

Please feel free to reach out to us to discuss how these could be helpful to you in the design of your L&D and your leadership development strategies.

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THE FIFTH DISCIPLINE

The Art & Practice of the Learning Organization

PETER M. SENGE

From Personal Mastery to Growth Mindset

The first discipline that Senge puts forward, personal mastery, appears as a pre-requisite, necessary but not sufficient to guarantee organizational learning. And it is, indeed, one of the first images that spontaneously come to mind when we think of Learning Organizations: a collection of individuals, driven by their ambition to continue learning and developing their skills and aptitudes.

Many L&D departments make it their mission to support people's ability to keep learning throughout their professional journey. Or as Svenia Busson, the founder of corporate learning advisory, LearnSpace, puts it, a Learning Organization is one that is *"constantly developing the relevant skills of its people"*. So, what are these skills about? And how are they developed?

"Organizations learn only through individuals who learn. Individual learning does not guarantee organizational learning. But without it no organizational learning occurs."

Peter Senge

It's about the journey, not the destination.

Senge equates personal mastery with personal growth and learning, espoused by those who *"are continually expanding their ability to create the results in life they truly seek."* People with a high level of personal mastery live in a continual learning mode. They are never done. So, let's make sure that the term "personal mastery" is not misunderstood as a situation, as it's rather about movement.

Many of the people we interviewed have echoed this feeling. One of them is Katrina Moss, the learning acceleration lead at Shopify, one of the fastest growing e-commerce platforms around the world. Katrina's role within Shopify's Learning & Development team is to help individuals achieve personal mastery, or as she prefers to call it, "growth mindset". For Katrina, a Learning Organisation means *"that you have a collection of learners who are growth-mindset oriented and are given the tools and cultural reinforcement to be active learners and teachers, regardless of roles, scope or geography"*.

When Katrina describes what growth mindset means at Shopify, it's quite clear that she sees personal mastery and growth as more than people acquiring new skills. It's about self-discovery.
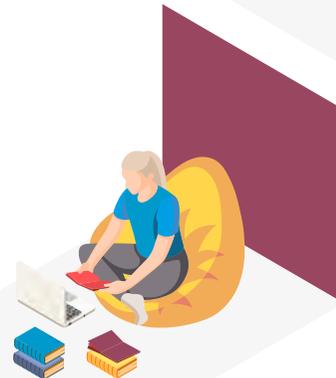
Enabling self-discovery

Personal mastery is "the discipline of personal growth and learning" says Senge, but it entails more than just learning new skills. He rather defines it as *"a commitment to truth, a relentless willingness to uncover the ways we limit and deceive ourselves."*

Personal mastery has centrally to do with self-awareness; people with a high level of personal mastery are acutely aware of their ignorance and their growth areas. For anyone who cares about building a Learning Organization, it is paramount to enable employees to develop that self-awareness and to focus on their limitations and learning deficiencies. But this doesn't mean hampering their self-confidence. It's quite the contrary, actually.

With personal mastery, personal purpose and vision come first; it starts by clarifying what really matters most to us. It's about creating a desired future and moving toward it. This requires a strong sense of self-direction, but only that is not sufficient. In the context of the Learning Organization, the learner can't be left entirely to their own device. L&D consultant Nigel Paine warns about a common misinterpretation of the Learning Organization as *"a collection of individuals who are well skilled and amazing learners (…) able to manage their own process of learning and development."*

Indeed, one could think that this discipline is a truly personal one, but there are many ways in which the organization can support personal mastery. The L&D function can be a key contributor here while also relying on other stakeholders.

"Building a Learning Organizations goes beyond formal training. It means actually caring about employees' self-development, helping those who want to grow, and accepting that some don't want to learn and grow sometimes and you can't develop AT someone."

Heather Waterhouse
HR Director at Unipart Logistics
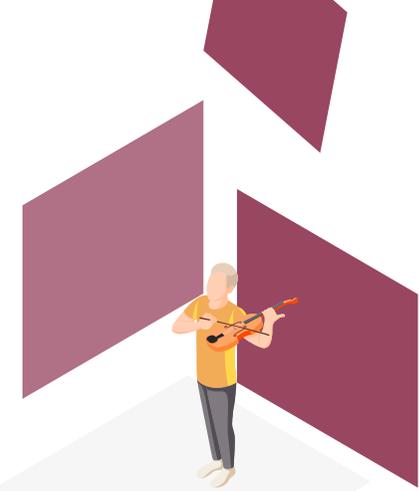
Experts, beware

When expertise gets in the way of growth mindset, personal mastery is at risk. At the organizational level, this is a big challenge: balancing the need for expertise in organizations and maintaining a spirit of continuous development. Management guru, Chris Argyris, had already uncovered this paradox in his 1991 Book *Teaching Smart People How To Learn*, arguing that the best-educated, high-commitment and high-power leaders are, *"those members of the organization that many assume to be the best at learning"* (…) *and are "in fact, not very good at it."*

Katrina Moss echoed this dilemma: *"Over time, organizations slowly start hiring for expertise more than for character and attitudes. And this is how we sometimes find ourselves hiring people with more of a fixed mindset. With a growth mindset, the challenge is scale."*

To overcome this challenge, organizations can't only rely on hiring a mix of experts and growth-minded generalists. They should also support all employees in building personal mastery – the process of continuously exploring one's learning goals and deficiencies.

"Expertise is sometimes the opposite of a growth mindset. When some people achieve the expert status, they can stop being curious and become protective of what they know. We see some micro-behaviors that slowly impeach learning: hoarding information or not speaking up when they are not sure about something."

Katrina Moss, Learning Acceleration Lead at Shopify.

**From Know-it-all to Learn-it-all:
Microsoft's Transformation**

If there's a company currently embodying personal mastery, it's Microsoft under Satya Nadella's leadership. Since his appointment as CEO in 2014, growth mindset has been a critical focus of the company's cultural transformation.

Inspired by Professor Carol Dweck, a pioneering researcher in the field of motivation, he, along with Microsoft's CHRO and senior leadership team, determined that growth mindset would become the foundation of Microsoft's desired culture. This ambition was then operationalized at all levels of the organization. Interactive online modules with rich storytelling and multimedia were created for employees to learn about growth mindset. Conversation guides were built for managers to enable meaningful exchanges about what growth mindset behaviors look like in team settings. Leaders started engaging in storytelling to give examples for growth mindset behaviors. The talent team also operationalized growth mindset in processes and practices, including performance management processes, talent reviews and succession planning processes.

To learn more:
neuroleadership.com/your-brain-at-work/
microsoft-growth-mindset-transformation
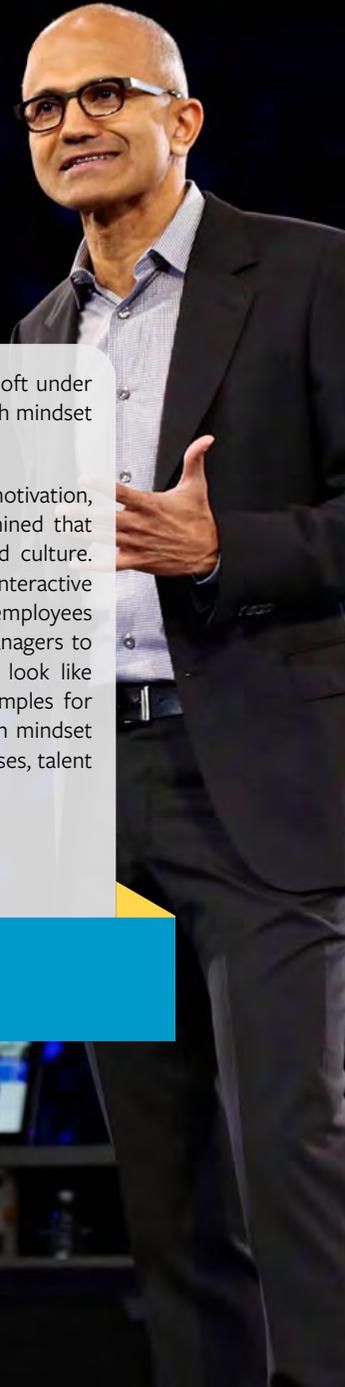
What's Personal Mastery?

It's the drive for
continuous learning and growth

It's the process of
exploring one's own limitations

It's an **individual aptitude**,
but a **collective discipline**

How To Foster It:

For leaders:

Show you care: The best leaders are the ones who truly care about their employees' personal development, beyond the mere acquisition of relevant-for-business skills. Including personal growth topics into your conversations with employees will go a long way!

Walk the talk: If leaders, going all the way to the CEO, exemplify personal mastery, then there is a high chance that this role-modeling will help diffuse the growth mindset in the organization.

For HR/L&D:

Create the ecosystem, but don't force it on people: Triggering and sustaining the learning mindset is the ultimate role of the L&D organization, but the L&D function has to also build an entire ecosystem to support this goal: creating and curating content, optimizing the user experience and supporting self-awareness and reflection while minimizing mandatory trainings that can prove counterproductive at times.

Provide dedicated space & time for self-reflection: HR and L&D professionals within the organization need to motivate and engage employees in a process of continuous growth in such a way that it becomes a reflex and, therefore, a mindset. Sometimes, reducing the number of training programs in favor of programs solely dedicated to self-reflection

(Where do I need to grow? What and who can help me there? What type of learner am I? What are my learning deficiencies and how do I overcome them? Etc.) can provide the engagement boost needed for personal mastery.

Promote mindfulness: A fixed mindset assumes that our abilities are innate and immutable, while a growth mindset thinks that we can improve through practice and hard work. Many large corporations, such as Google, Nike or even Goldman Sachs are adopting mindfulness as a way to achieve a growth mindset by learning to identify and be open towards uncomfortable moods. Bringing mindfulness into the L&D agenda can support the self-awareness needed to strive for personal mastery.

Go further:

Rethinking the reward system: When we asked L&D leader, Katrina Moss, what could be done to promote personal mastery, she suggested, "going against the conventional approaches for recognizing someone's contributions." In performance reviews, "watch out for language that emphasize outcomes exclusively and instead include the journey, by asking questions, such as what did I learn? How does that benefit the company?"

Rethinking performance evaluations as well as reward systems can help enhance personal mastery by shifting the focus from the outcome to the journey of self-growth.

Acknowledging & Challenging Assumptions

Just like computer models or architectural models, mental models offer an imperfect but useful representation of reality. We all have them, but we are often not that aware of the impact of such assumptions on our behavior. According to Senge, a fundamental part of building a Learning Organization lies in creating the ability to reflect-in-and–on-action.

Peter Senge describes the discipline of mental models as the process of turning the mirror inward in order to unearth our internal pictures of the world and hold them rigorously to scrutiny. Practicing this discipline starts with the awareness that our internal representations of external reality actually shape our behavior and set an approach to how we do tasks and solve problems.

"Mental models are deeply ingrained assumptions, generalizations, or even pictures and images that influence how we understand the world and how we take action."

Peter Senge

Making the implicit explicit

In an organization, there is a repertoire of mental models that need to be made explicit. We tend to think of organizations as highly rationale, but they all operate under certain mental models that are far from universal. These shared mental models are highly useful, because they build the foundation for organizational culture. But they can't be held for universal truth; otherwise, they hinder creativity and prevent problem-solving. As Albert Einstein puts it, "We cannot solve our problems with the same thinking we used when we created them."

Paradoxically, organizations need to have foundational mental models, as much as they need to acknowledge their limitations and challenge them. Professor of organizational behavior Andre Spicer, has coined the term "organizational stupidity" to describe this paradox. He speaks of organizational stupidity as *"a common hazard in many companies but — paradoxically enough — it can prove useful to maintaining a certain degree of cohesion."* In his stupidity-based theory of organizations, Spicer acknowledges the role of mental models in building cultural and behavioral common grounds in organizations, while also warning against *"an absence of reflexivity, a refusal to use intellectual capacities in other than myopic ways, and avoidance of justifications."*

Often times, good management is seen as one that emphasizes certainty, without unveiling the mental models on which it's grounded. It can lead to repressing or marginalizing doubt and blocking communicative action. Unearthing the mental models behind the surface of corporate rationality is a crucial and difficult task in building the Learning Organization. Ultimately, it requires courage and intentional communication.
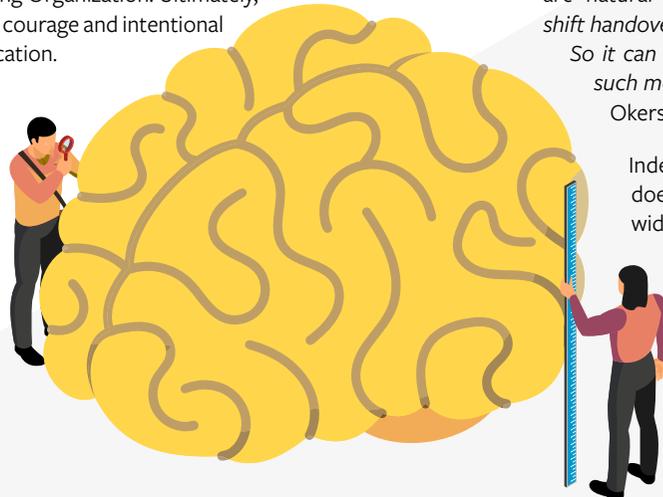
Reflection from within, insights from outside

Mental Models are so ingrained in us that they can make it difficult to accept new ideas. When we spoke to Michelle Ockers, an Australian-based learning consultant and host of the *Learning Uncut* Podcast, she highlighted the need for organizations to acquire knowledge both from inside and from outside in order to solve problems and foster innovation and agility. She discussed how she encourages organizations to build regular retrospectives into the workflow.

"The point is to get people to think and share about their actions and behaviors at points that are "natural" in the learning rhythm. For example, shift handovers are a natural point for reflection. So it can be very useful to consciously build such moments into the workflow," says Ms. Okers.

Indeed, challenging mental models doesn't always require deep, company-wide reflection sessions. Encouraging teams to practice reflection and to integrate it into the workflow (in handovers, project reviews and debriefings, etc.) is a way to practice the discipline of mental models. Over time, this gives people an opportunity to reflect on their own assumptions, as well as share about the common mental models built into the organization.

Bringing knowledge from outside allows mental models to be regularly updated. Instilling a habit of learning from outside and valuing outsider perspectives is a defining part of building a Learning Organization.

"The Learning Organization is one that takes insight from outside, circulates it widely within, and takes action on it. Learning Organizations adjust rapidly to the changing external environment."

Nigel Paine, L&D Expert

Acknowledging and Challenging Assumptions
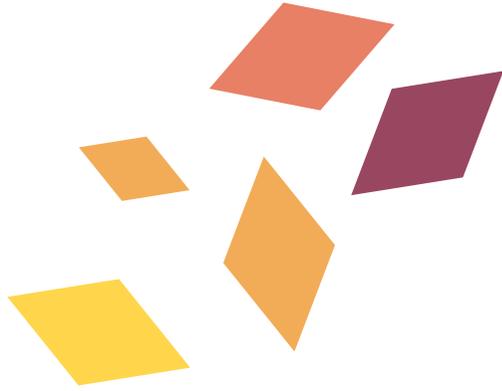
Learning moments: Seamless or explicit?

Céline Cussac, L&D Director at Natixis, defines the Learning Organization as one in which *"learning happens at all times, in all situations, and becomes so seamless that people don't necessarily realize it when they're learning. There is a form of permeability between work and learning."*

Indeed, many of the most progressive L&D teams try to implement seamless learning – through in-action, on-the-job learning. This is not in contradiction with the discipline of mental models, which suggests that learning happens when one takes the time to unveil assumptions, make them explicit and question them. On the contrary, making reflexivity a habit ingrained into the workflow tends to be quite conducive to learning.
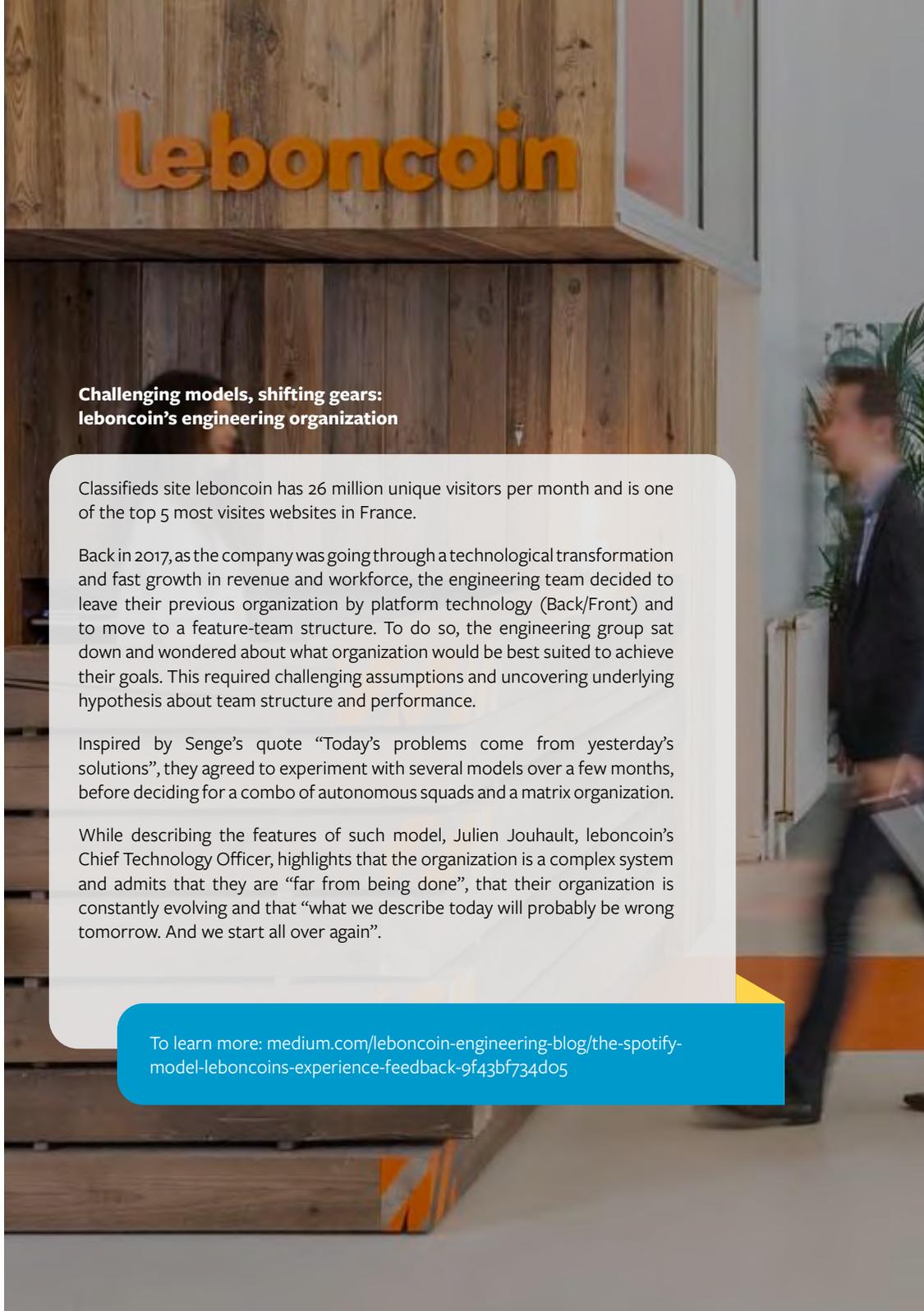
Challenging models, shifting gears: leboncoin's engineering organization

Classifieds site leboncoin has 26 million unique visitors per month and is one of the top 5 most visites websites in France.

Back in 2017, as the company was going through a technological transformation and fast growth in revenue and workforce, the engineering team decided to leave their previous organization by platform technology (Back/Front) and to move to a feature-team structure. To do so, the engineering group sat down and wondered about what organization would be best suited to achieve their goals. This required challenging assumptions and uncovering underlying hypothesis about team structure and performance.

Inspired by Senge's quote "Today's problems come from yesterday's solutions", they agreed to experiment with several models over a few months, before deciding for a combo of autonomous squads and a matrix organization.

While describing the features of such model, Julien Jouhault, leboncoin's Chief Technology Officer, highlights that the organization is a complex system and admits that they are "far from being done", that their organization is constantly evolving and that "what we describe today will probably be wrong tomorrow. And we start all over again".

To learn more: medium.com/leboncoin-engineering-blog/the-spotify-model-leboncoins-experience-feedback-9f43bf734d05

What Are Mental Models?

They are the **deeply-ingrained assumptions** that shape our world views and actions

Individuals have them, but **so do organizations**

They are **far from universal**

Only by unearthing them, reflecting upon and questioning them can we **nurture creativity**

How To Manage Them:

For Leaders:

Understand what lies beneath: If you are leading a team, it is paramount to understand the mental models that people operate under. Often, team members believe they speak the same language, when actually, the underlying assumptions and meanings of a common concept might differ vastly from one person to another. The leader's role is to help unveil these differences in order to lay the ground for fruitful dialogue.

Be generative, not reactive: For Peter Senge, the problem with most managers is they are ultimately "pragmatic" and generally "reactive". Unearthing and challenging mental models is a discipline, something that should happen continuously before external circumstances compel you to do so.

For HR/L&D:

Support workflow learning: One of the most effective ways of managing mental models is to build reflection points into the workflow, following the natural learning rhythm. However, this requires intentional design and practice. HR and L&D professionals have a big role to play in supporting managers and team leaders in orchestrating more deliberate and reflective practices.

Train people to identify mental models: It's not easy to be conscious of mental models as they operate under the surface, hence the crucial trainings on mental models (What are they? How can we unveil them for ourselves?

How we can we make them explicit at team level?). While unconscious bias training has become widespread in organizations, mental models training might be a prerequisite.

Champion the discipline of mental models: HR/ L&D functions are particularly well-suited to be the ones that surface organization-wide mental models and make sure that they are regularly questioned and, if need be, updated. A variety of methods and tools (surveys, interviews and focus groups, taskforces, etc.) can be brought forth in order to so.

Go further

Promoting diversity: Diversity in teams helps to overcome mental models that frame and impedes fresh thinking. Hence, taking a closer look at team compositions and promoting all kinds of diversity is a key enabler. L&D offerings can also be a good opportunity to confront people to different world views and cultures (through learning expeditions, company exchanges, job swaps, etc.)

Sharing the Vision & Purpose

At its simplest level, a shared vision is the answer to the following question: what do we want to create? In *The Fifth Discipline*, Peter Senge argues that the development of a shared vision within an organization is needed before any organizational change can truly take place. Too often, company visions are those of a particular individual, group or subgroup and are not truly "owned" within the organization.

Shared vision is an essential component of a learning organization because it provides the focus and energy for learning.

"Few, if any, forces in human nature are as powerful as a shared vision."

Peter Senge

Authenticity at the core

We all know the power of vision as a driver to excel and learn. However, how many organizations can actually claim their vision is genuine and owned by all? According to Senge, authentic leadership is about building a vision with the power to galvanize the entire organization.

Only when this vision is shared and owned by all will employees automatically participate in the improvement process to get the company closer to accomplishing its vision. A company with true vision is one where *"people are not playing according to the rules of the game, but feel responsible for the game."* (Senge, 2006)

Most of the L&D leaders we spoke to echoed this statement. For Heather Waterhouse, HRD at Unipart Logistics, the Learning Organization is mostly about the courage of *"having authentic conversations to build a common vision."* As for Nigel Paine, independent expert and author of Workplace Learning: How to Build a Culture of Continuous Employee Development, the key elements in creating the conditions for the Learning Organization to thrive are *"building trust, so people can share"*, and having a *"leadership that engages and empowers"*.

The practice of Shared Vision

While we can easily agree on the galvanizing power of authentic vision, what has been lacking in many organizations is a discipline to build this shared vision – not a foolproof recipe but a set of principles and guiding practices.

The practice of a shared vision involves the skills of unearthing shared "pictures of the future" that foster genuine commitment and enrollment, rather than compliance. In mastering this discipline, leaders will learn the counter-productiveness of trying to dictate a vision, no matter how heartfelt.

Luckily, many organizations have been making strides in leveraging collective intelligence in several strategic or operational endeavors, and most L&D teams have been building programs relying on collective intelligence for the last decade. Now, the methods and tools of collective intelligence can be used to build a shared vision, and a sense of belonging to the organization. As Céline Cussac, Head of L&D for Natixis, stated, "I look forward to a time when we can rely even more on collective intelligence to drive the

Learning Organization. In my organization, we are strongly convinced by a positive impact of a culture of continuous feedback in order to feed the learning culture".

While collective intelligence and the practice of feedback are enablers in building and maintaining shared organizational vision, our interviewees raised two main challenges to the process:

Translating the vision into success criteria: *"Often times, the organization doesn't know what success will look like. This has to be defined: what will feel/look different if we achieve the vision?"* asks Nigel Paine.

Balancing the short & the long term: *"One of the main challenges is short-term vision. Some leaders or managers may have a very short-sighted perspective on their business and have trouble waiting for others to experiment, fail, and try again"*, says Céline Cussac.

This goes to show that building a shared vision is not a one-time exercise, but a continuous effort to balance the individual and the collective, the short and the long term. Monitoring how "owned" the vision is and how relevant it remains in the face of business challenges and environment changes is a big part of the discipline of shared vision.

Sharing the Vision & Purpose

From Vision to Purpose

While vision aligns the organization with its goal, purpose is about why the organization exists in the first place. Edelman defines purpose as *"the strategic intersection between what a business does, the impact it has on people and planet, and its ability to bring about transformative change."*

Nowadays, it seems difficult to imagine a true Learning Organization without a strong and engaging purpose. In Deloitte's 2015 survey of millennials, 60 percent of the sample stated that they joined their current employer because of the organization's sense of purpose, and the alignment between personal and organizational purpose is a huge driver of employee engagement. In this context, the effort to be purpose-driven goes hand in hand with that of engaging people within the Learning Organization.

Progressive organizations are already connecting purpose and learning. For instance, Katrina Moss explained how, at Shopify, the culture team is in charge of articulating purpose, values and *"what it means to be a learner. And then, our leaders are in charge of reinforcing the values."*

Reconciling vision & purpose: Airbnb's "Belong Anywhere" story

Douglas Atkin was appointed "Head of Community" for Airbnb in 2012. The following year, as the company was prepping for a possible IPO, he and the leadership team felt they needed to counter Wall Street's "short-termism" by building a stronger vision and becoming a purpose-driven company.

Atkin wanted the vision to be grounded in the experience of its users, so he and a small band of San Francisco-based employees spent three and a half weeks traveling to meet with 485 hosts, guests and employees all over the world. "We drilled down into the emotions that drove their loyalty and heard stories that identified their reasons for using Airbnb that went way beyond the transactional", he remembers.

And that's how the brand's famous slogan was born and now drives the company's business decisions, such as the creation of a new venture with Airbnb Experiences in 2016 or the launch of a non-profit through Global Citizenship Champion program. The Airbnb story demonstrates how constantly re-evaluating who you are and including various stakeholders in creating the vision can guide an organization towards the future.

To learn more:
medium.com/@douglas.atkin/how-airbnb-found-its-purpose-and-why-its-a-good-one-b5c987c0c216
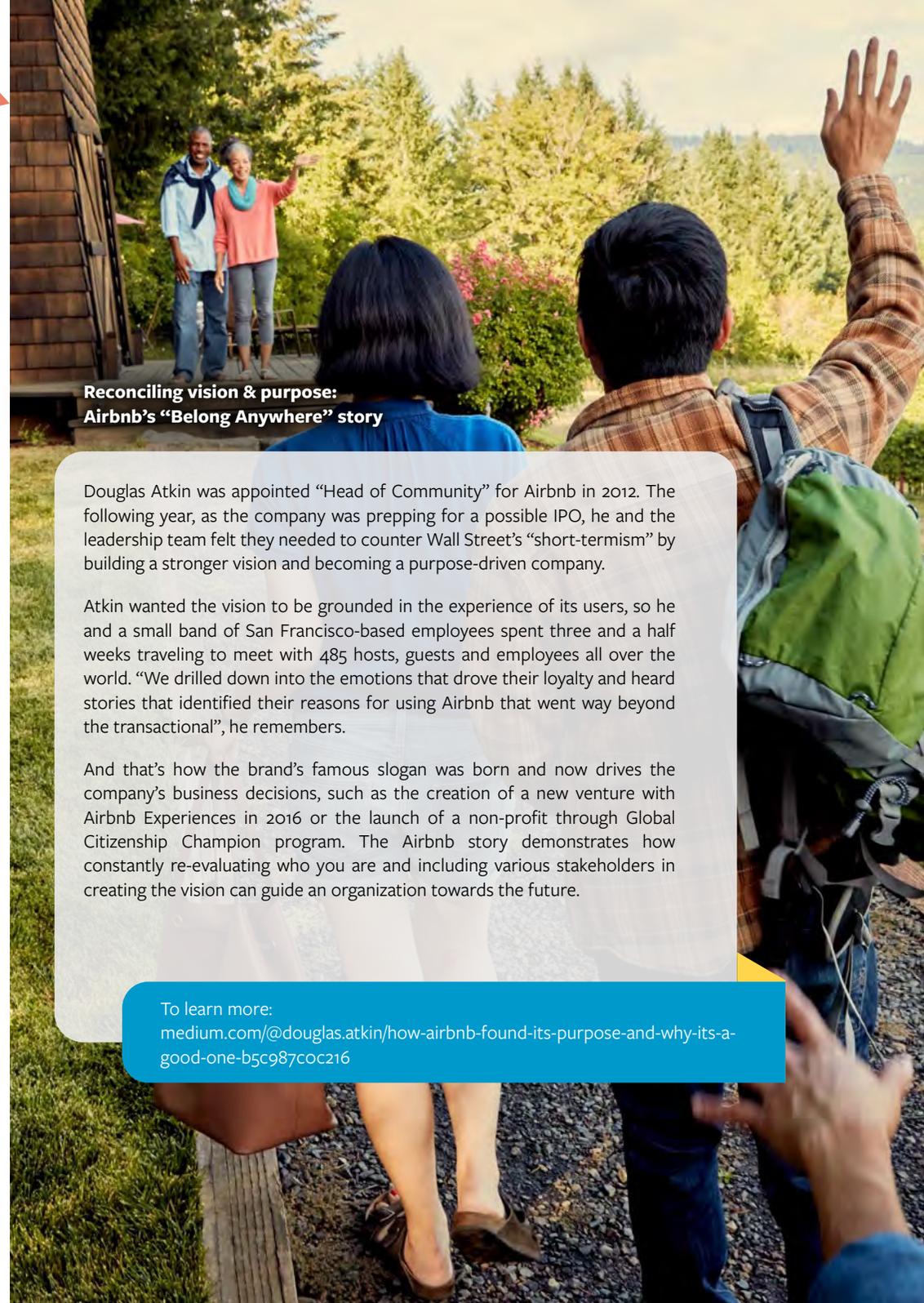
What Is Shared Vision?

It's about the process of building, updating and sustaining a **common organizational goal**

It has to be **genuine** and not imposed from the top

High values & purpose-driven organizations are **better-suited for the discipline of shared vision**

How to Leverage It:

For Leaders:

Open up the visioning exercise: Stay away from top-down vision statements and, instead, leverage collective intelligence to build or refresh the company's vision, relying on the experiences and ideas of its members.

Update often: Just like mental models, the vision must be questioned regularly. Is it relevant? Is it actually shared and owned by the members of the organization? How does it interact with purpose, and are there gaps between the organizational vision and the sum of its parts?

Focus on purpose: True purpose can feed the vision and help make it relevant and appealing. Formulating the "raison d'être" of the company beyond financial goals, and making sure it is visible in the decision-making process of leaders, is a powerful tool to drive engagement towards the company's continuous improvement - hence contributing to the Learning Organization.

Go further

Advocating for slowness? In the last decade, Slow Management has evolved as a response to the optimization and short-term goals driven traditional management model. Advocates of slow management – which focuses on long-term value creation, quality, purpose and employee empowerment – say it supports the growing need for creativity and adaptation to changing contexts. This often requires a change of mindset and some "unlearning" by leaders and managers but can go a long way in contributing to the learning culture.

For HR/L&D:

Facilitate conversations on the vision: HR can act as a sparring partner to the leadership team in building frameworks for visioning/purpose-unveiling exercises and can help facilitate such sessions while ensuring that all stakeholders are represented in the conversation. HR partners can then measure and monitor ownership of the vision.

Offer constructive feedback: Moving from vision to action is not an easy task. HR's responsibility lies in holding leaders accountable and signaling instances when decisions, practices and behaviors are not coherent with the vision.

Inquire about purpose: Purpose should be a topic in HR conversations across the employee lifecycle, from recruitment to exit interviews, in order to understand the fit between individual and company-wide purpose and remediate potential gaps.

Learning, Together

Team learning builds on personal mastery and shared vision. As Senge defines it, learning is fundamentally about the willingness to deeply explore a problem. While this skill can be developed individually through personal mastery, something unique happens when this is taken to the group level. In this context, team learning focuses on sharing explicit and implicit knowledge within a group and creates an environment in which organizational success and personal growth go hand in hand.

"Team learning is the process of aligning and developing the capacities of a team to create the results its members truly desire."

Peter Senge
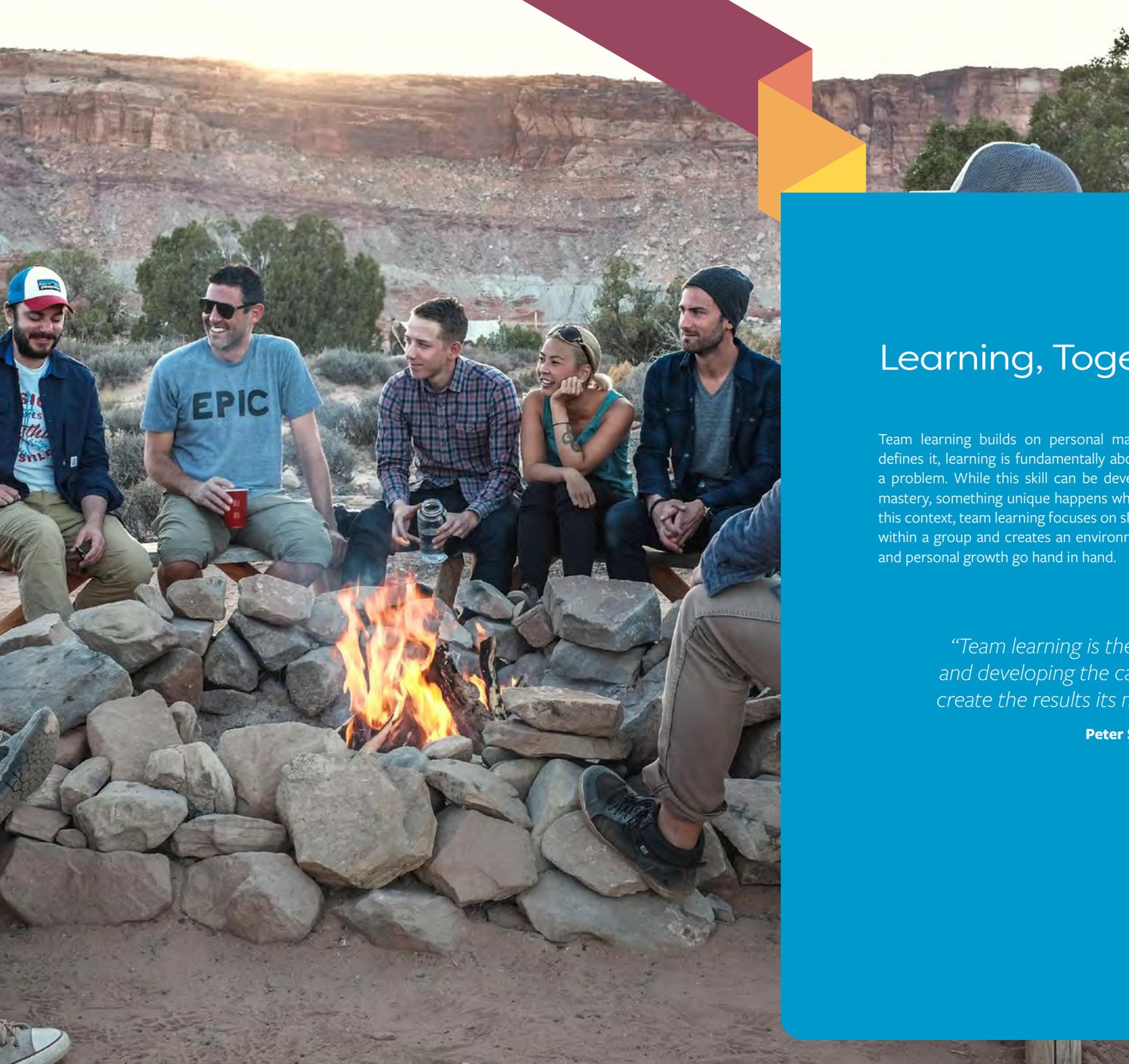
It starts with dialogue

The discipline of team learning starts with 'dialogue', defined as "the capacity of members of a team to suspend assumptions and enter into a genuine 'thinking together'" (Fullan, 2012).

Senge refers back to the ancient Greek meaning of the word, dia-logos, the process through which a group "discovers insights not attainable individually" and learns "how to recognize the patterns of interaction in teams that undermine learning" (Senge, 1990).

The purpose of a dialogue is to go beyond any one individual's understanding. "We are not trying to win in a dialogue. We all win if we do it right." In dialogue, a group explores complex difficult issues from many points of view. Individuals need to communicate their assumptions (mental models) freely, hence bringing forth people's experience and thought, while also going beyond their individual views. Patricia Poon, Head of Leadership Development

Asia at Sanofi considers that *"connection and sharing in the organization, and the transfer of knowledge, expertise and insights"*. To her, this culture of sharing, combined with leaders' deep commitment to learning and growth for themselves and their teams, is key to building the Learning Organization. Another dimension are the platforms, technologies and tools which enable sharing at all levels of the organization and to capture the resulting learning insights.

This is quite coherent with Senge's claim that team learning requires three critical dimensions: First, the need to think insightfully about complex problems by challenging mental models; Second, the need for innovative, coordinated actions, enabled by organizational trust; And third, the spreading of team learning practices, from one team to another.
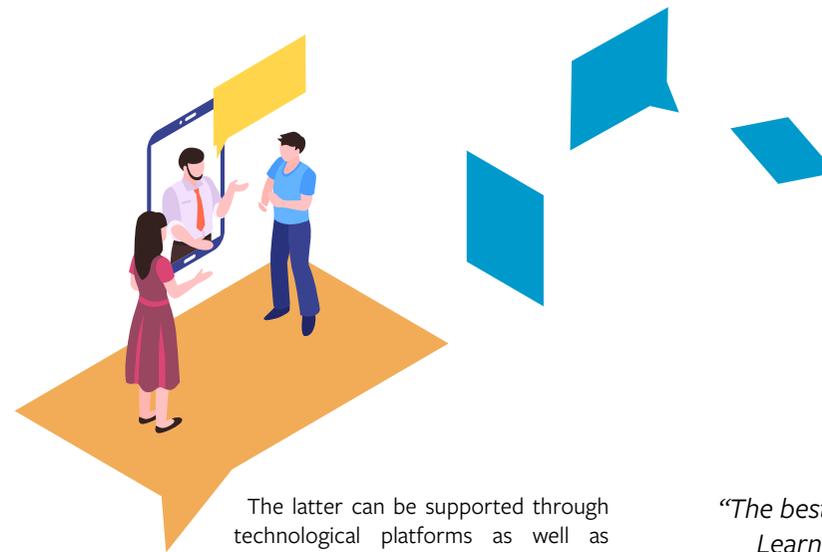
The latter can be supported through technological platforms as well as through online and offline communities of practice. Beyond the actual insights that are created within them, communities of practice serve as a space to experiment with the unveiling of mental models and the dialectic process that results in team learning.
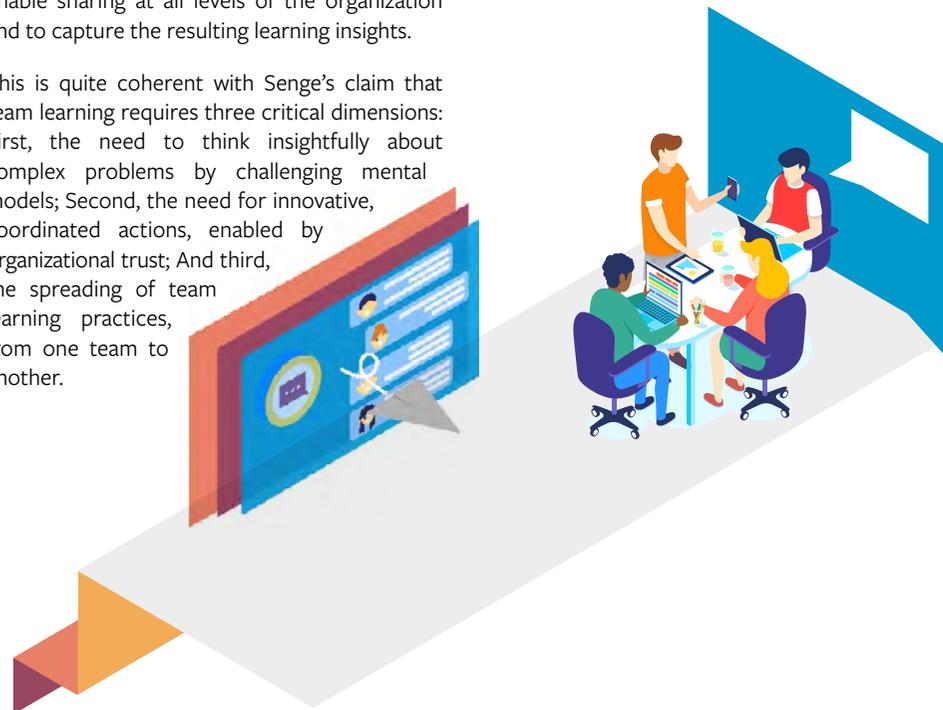
"The best ways to sustain the Learning Organization:

Building communities of practice;

Creating spaces and events for people to interact and demonstrate their work;

Opening the policies surrounding the use of technologies in the workplace (internet, intranet);

Allowing people to speak publicly about their work ;

Connecting industries through collaborative initiatives;

A solid Knowledge Management infrastructure;

And senior leaders showing the way!"

Michelle Ockers

Learning, Together

Raising trust

According to Peter Senge, operational trust between team members is a condition of team learning. It's about each team member remaining conscious of others and acting in ways that complement others' actions.

But we argue that the level of trust needed to power the Learning Organizational goes beyond the operational layer. Heather Waterhouse of Unipart Logistics states that *"Learning Organizations don't work when people don't have the courage to have difficult, authentic conversations. This includes the tough conversations about performance and development needs"*.

Most of the experts and practitioners equate organizational learning with the ability of owning up to mistakes and learning from failure. This requires a fair amount of psychological safety. While the psychologically-safe workplace has become a common buzzword, the challenge lies in turning it into common practice. For Heather Waterhouse, the solution is *"to develop a network of internal coaches, who can hold people accountable, and get them into the habit of saying they are not ok with something. It's also about building up the confidence of saying when we don't know something and that applies to all levels... leaders need to be able to say this too"*.

For Céline Cussac of Natixis, *"it relies on leaders' role modeling"*. This is echoed by Katrina Moss of Shopify: *"We have a very regular habit of stopping initiatives when we realize they are no longer serving. It demonstrates that no one has to be right. It's about: are we still creating the best product? Sometimes entire products are removed so we don't lose sight of the ultimate goal."*

With Katrina, we also discussed the role of behavioral economics – nudging individuals to change their behaviors in small ways in order to build psychological safety at the collective level. An example of such nudging is the creation of Friday fails within certain teams at Shopify using slack'. Individuals, and leaders in particular, are encouraged to share their mistakes and challenges on the platform. Because using Slack is well established within the company, it represents a psychologically safe place to nurture the habit of exposing things that didn't work out.

"If there's no trust, no psychological safety, people won't take risks. And without risk, there is no learning."

Michelle Ockers

WD-40 : the obsession of team learning

The WD-40 Company is a San Diego, California-based manufacturer of household and multi-use products. When Gary Ridge took over as its CEO in 1997, the company was quite successful but reliant on a single star product, and mainly active in the US. With the ambition of turning it into a truly global and growing business, he insisted that his role as CEO was to create a "company of learners", by helping employees overcome fear of failure.

He was so serious about this commitment that he made all employees take a pledge to become "learning maniacs": *"I am responsible for taking action, asking questions, getting answers, and making decisions. I won't wait for someone to tell me. If I need to know, I'm responsible for asking. I have no right to be offended that I didn't "get this sooner." If I'm doing something others should know about, I'm responsible for telling them. »*

The central ritual of life at the company is what Ridge calls the "learning moment" — a period of frustration, a burst of inspiration, a breakthrough of collaboration in which people stumble upon a problem, unearth an opportunity, or fail at an initiative, and then communicate what they've learned without fear of reprisal.

To learn more:
hbr.org/2016/09/how-wd-40-created-a-learning-obsessed-company-culture

What Is Team Learning?

It's the process of solving complex challenges collectively by **challenging mental models and sharing insight** to build on each other's views

It requires a deep level of **trust and psychological safety**

It can become an **organizational feature if it spreads** from one team to another

Go further:

Finding opportunity in crisis: Periods of drastic change or crisis can wreck years of efforts in building psychological safety at work, because they lead to acute stress which tends to shut down dialogic communication. However, they also represent opportunities to create safe spaces where they weren't considered necessary. Crisis support groups can be a great starting point to initiate new kinds of conversations that will cement the practice of dialogue when the dust has finally settled.

How to Leverage It:

For leaders:

Learn and practice the art of dialogue: It is particularly difficult for leaders to master the art of dialogue because most of their day-to-day actions are focused on achieving goals and making decisions. However, true dialogue is about openly examining a subject in order to reach a deeper understanding of the thought processes that guide our behavior. Understanding the difference between dialogue and conversation (and knowing when to switch from one to another) is a challenging but highly effective way for leaders to spark creativity and problem-solving within their teams.

Create safe spaces: The notion of safe space is versatile and has to be adapted to each organizational context. The leader's role is to make sure that such spaces exist, but also – and most importantly - that they keep serving their purpose. For instance, too many innovation hubs are initially designed as safe spaces for experimentation but end up operating under the same performance rules as the rest of the organization.

For HR/L&D:

Be a facilitator: True dialogue and team learning are not self-evident or natural aptitudes, they require discipline and a conscious process. The people function must develop dialogue-building skills and learn to act as a facilitator in team dialogues.

Beware bad KPIs: Sometimes KPIs can drive behavior that is not conducive to learning. For instance, while innovation contests can be extremely successful in terms of output, they may also create divisive behavior that impeach organizational learning. HR practitioners have a responsibility to question the KPIs in place to check whether they enable or hinder the Learning Organization.

Make it easy: Infrastructure shouldn't get in the way of learning. Working closely with the IT organization to make sure that technology is an enabler rather than a hinderance is a key driver of team learning.

Seeing the Forest
for the Trees

Systems Thinking is the titular fifth discipline that Senge refers to in his seminal book and is both a discipline in itself and a consequence of the four aforementioned ones (personal mastery, mental models, shared vision and team learning). At its core, systems thinking is the ability to look beyond the linear cause-effect thinking that is embedded in our language and our culture, and see the larger forces acting to create behavior. Senge describes the discipline of systems thinking as the process of understanding *"how it is that the problems that we all deal with, which are the most vexing, difficult and intransigent, come about, and to give us some perspective on those problems* [*in order to*] *give us some leverage and insight as to what we might do differently."*

"Systems thinking is a perspective of seeing and understanding systems as wholes rather than as collections of parts. A whole is a web of interconnections that creates emerging patterns."

Peter Senge

Thinking collectively, thinking long-term

Since the publication of *The Fifth Discipline*, systems thinking has become mainstream in the business world, with new practices and novel organizational models springing from it. However, some of the principles that systems thinking involves are regularly challenged by the complexity and fast pace of today's work environment.

For instance, systems thinking relies on collective intelligence. Because of individual limitations, no one person can see the whole of the system. We need different people coming from different points of view, seeing different parts of the system, to come together and collectively build the puzzle. This leads us to a fundamental principle of systems thinking – that collective intelligence trumps smart individuals. Yet even the most collectively-minded organizations today are still very focused on hiring and engaging "star performers", those top-educated, highly focused knowledge workers and experts that will bring the business forward. At the L&D level, learning professionals must balance expertise-forming upskilling and collective-oriented learning programs.

Systems thinking is also long-term thinking, but organizations in the VUCA world are striving for speed and agility. Are they dealing with contradictory demands? Actually, Senge pleads for moving beyond a reactive "Events" way of thinking ("this happened, so I did this"), to identify the longer-term "Patterns of Behavior" trends. This enables us to respond to them, and eventually to shift to understanding the Systemic Structure that causes the longer-term patterns of behavior, so we can design new systems that generate new patterns of behavior.

Building capabilities for systems thinking

In Senge's view, systems thinking is the discipline at the cornerstone of the Learning Organization. However, the term is often associated with complex simulations, theoretical circumvolutions and can appear quite removed from the pragmatic realities of the workplace. So, what does it mean to put systems thinking into practice? This is where the four other disciplines actually provide a useful framework for action. For anyone committed to building the Learning Organization, implementing systems thinking can seem like a dauting task. But instead of telling people they must adopt systems thinking, one can help build an environment and instill habits that are conducive to it.

First, get into the habit of **uncovering assumptions that guide decision-making**, both at the individual and at the collective level (the discipline of mental models). In meetings, brainstorming and workshops, it's important to ask 'what mental model, what assumption lies behind this and that statement?'

To be able to challenge each other on underlying mental models, an **environment of psychological safety** is paramount (stemming from the discipline of team learning).

Openness is a condition for systems thinking because it enables people to share their view and show their part within the system, while also comprehending that the whole is often bigger than the sum of its parts (the discipline of shared vision helps build that understanding).

Systems thinking also requires that individuals are willing to see the complexity of the system instead of relying of quick fixes. **Overcoming the "fix it, now" mentality** is very much linked with the discipline of personal mastery through growth mindset.

Haier's Rendanheyi philosophy of systems thinking

In 2005, Zhang Ruimin, the visionary CEO of household appliances company Haier, introduced the Rendanheyi management model to the world. Rendanheyi stands for bringing the employees (ren) and the users (dan) closer together.

As the company was struggling with a bureaucratic structure and bad results, the model was designed to change the monolithic giant into a sum of micro-organizations and construct a networked organization. The 1.0 version from 2005 was about creating self-managing teams and reducing the distance to the user of the sold products. The platform strategy is central in the 2.0 version of Rendanheyi: the organization must operate in networks to be able to find new sources of opportunity. Transforming from a cascade process to an interconnected ecosystem has helped organizational members think in more systemic ways.

Today, with sales of 32.6 billion dollars and an annual growth of more than 10 percent since 2009, Haier is regarded as one of the most important case studies for organizational change. More than 17 Harvard Business School case studies have been dedicated to the Chinese company.

To learn more:
sloanreview.mit.edu/article/leading-to-become-obsolete/

What is Systems Thinking?

It's the ability for the members of an organization to **understand the interdependencies** between them

It's about unveiling long term **patterns of behaviors** instead of reacting to events

It's a discipline because it requires a conscious effort to **challenge assumptions, make decisions collectively and accept complexity**

How to Leverage It

For leaders:

Learn to see and accept complexity: Leaders are generally supposed to provide definite answers, make quick decisions and offer guidance in order to simplify complexity, so it can be quite challenging for them to admit that they don't know, or that they need time to look at a problem from systemic standpoint. But role-modeling the acceptance and acknowledgment of complexity is key to spreading systems thinking in the organization.

Understand the system: This is especially relevant for the most senior leaders in the organization. Thinking of the organization as a basketball court, the top leader can be seen as the point guard: the one player tasked with overseeing the whole floor, thinking two or three plays beyond the next pass.

For HR/L&D:

Monitor change: We all know how hard it is to define the right metrics for organizational learning. There is no one-size-fits-all approach to measuring learning and change, so the people function needs to identify ways of monitoring change that are coherent with the company's vision and culture, while making sure that the metrics in place don't favor linear thinking over systems thinking.

Becoming reflective practitioners: People functions and learning departments have a special responsibility to practice what they preach and embody the Learning Organization through their own practices. Regularly questioning its role and its contribution to the system is key to building an effective and innovative people team.

Go further:

Building resilience: We define resilience as the capacity of a system, be it an individual, a forest, a city or an economy, to deal with change and continue to develop. Amidst all the turbulence of our time, running a workplace resilience training program is high on the agenda for many organizations.
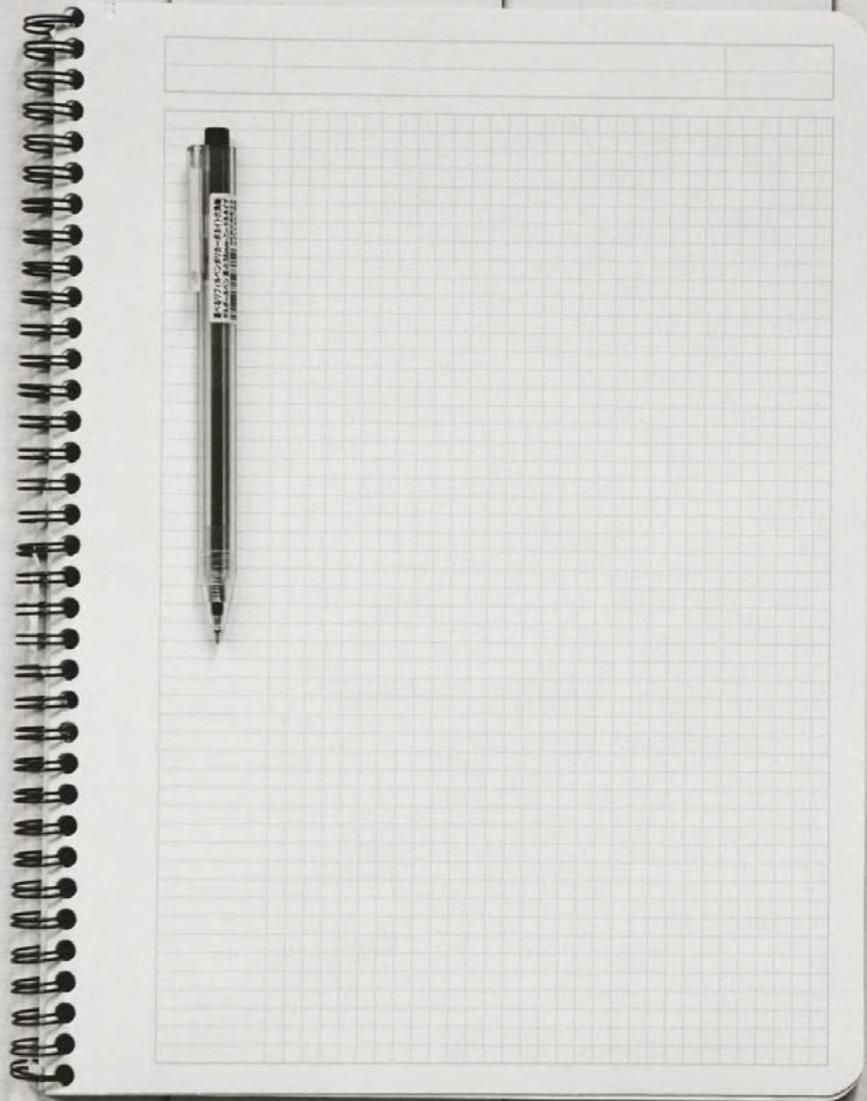
Final Thoughts

In this report, we wanted to explore the concept of Learning Organizations in order to achieve several goals:

Debunk the myths surrounding the Learning Organization in order to showcase it as a set of principles, practices and behaviors rather than an unattainable ideal;

Update the definition to make Senge's 5 disciplines resonate with today's workplace challenges;

Offer tangible recommendations on how to bring the Learning Organization to life, both for HR/ L&D professionals and for leaders who care about learning and growth.

Final Thoughts

Debunking the myths

All the experts and practitioners we spoke to had different definitions of what constitutes a Learning Organization. This is great news because it shows that this is more than a theoretical notion; instead, the Learning Organization is a living, dynamic concept, and each team is free to find its own angle and way of fostering organizational learning. That being said, our interviewees have warned us against a few traps and common misconceptions around Learning Organizations:

It's not about the quantum of learning

While formal learning definitely has a role to play, the Learning Organization is not defined by how dense the training agenda or how populated the LMS is. On the contrary, we need to be careful not to fall into the trap of overvaluing skills and expertise, which are sometimes threats to growth mindset and team learning.

It's not about self-directed learners

There is a common vision that the Learning Organization is a gathering of effective, self-directed learners – people with an outstanding ability to problem-solve and to autonomously draw lessons from the past and adapt to evolving circumstances. While these are indeed important capabilities, the Learning Organization is mostly about the conditions under which individuals can contribute to something greater than the sum of their parts.

It's not (just) about L&D

The Learning Organization is all about building a culture in which learning can flourish, in which individuals are encouraged to overcome their own limitations and work together in order to achieve collective betterment. This means that the task goes way beyond the sole mandate of the L&D function.

However, L&D departments can be key contributors and champions of the Learning Organization: indeed, the L&D function is undergoing deep changes and becoming much more than a provider of learning programs, instead taking on a new role as coordinator of the learning ecosystem, and guardian of organizational purpose.

Updating the definition

In the process of building this report, we have had to acknowledge the depth and power of Senge's contribution, which still seems more relevant than ever. Senge's work remains a reference in the world of learning because he is one of the best advocates for the need for dialogue and openness as a necessity in defining workers' and companies' learning shortcomings.

In a way, the Learning Organization is a powerful concept because it enables us to point out where we go wrong and to highlight the moments in which learning journeys break because of short-sightedness, fear of failure, institutional and cultural obstacles. By drawing attention to these disruptors, we can suggest concrete actions to bring learning back to the core of the organization.

Indeed, this is another of Senge's important contributions – serving as a reminder that organizations are all about learning. The organization is the coordinator of all individual learning, but it's also a learning entity in itself. More than that, one could say that the process of learning is the actual organization: organizations are no more than the movement of learning, unlearning and relearning that enables them to be living, changing organisms.

Interviewing several experts and practitioners has also enabled us to update the definition of the "disciplines" of learning organizations, and to link them to current trends in management lingo. In particular, we have learnt that:

- Personal Mastery and growth mindset are one and the same.

- Mental models encourage us to overcome unconscious bias.

- Shared vision must include purpose.

- Team learning is a direct consequence of psychological safety.

- Systems Thinking is about thriving in complexity.
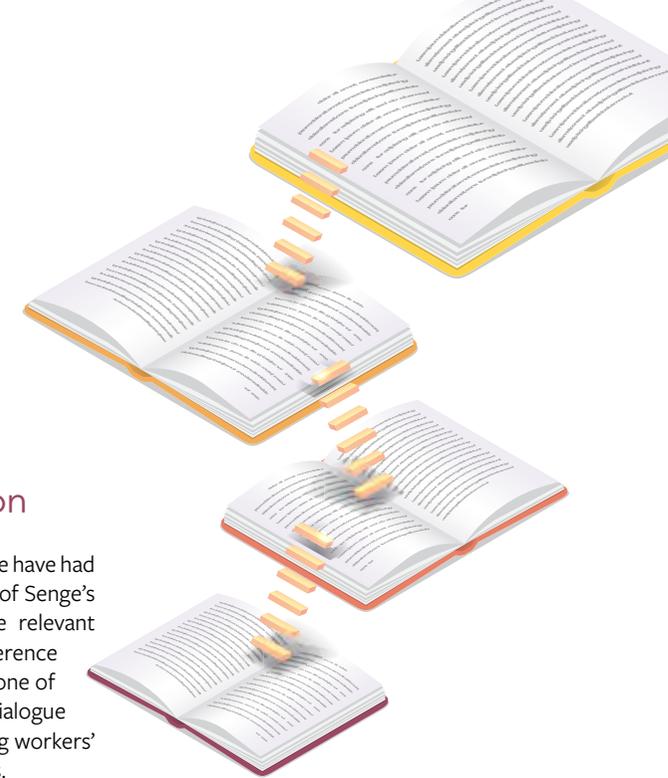
A new leadership framework

One thing has emerged quite clearly from our study: building the learning organization requires a deep involvement from the top and calls for a fundamental rethinking of leadership by fostering an ability to coach and teach, rather than demand and direct.

Exploring the dimensions of the Learning Organization through the lens of the 5 disciplines has enabled us to suggest a framework for leadership. *

Grow Yourself & Others

Show you care = Inquire about others' development paths

Walk the talk = Embody growth mindset and showcase it

Challenge Assumptions

Understand what lies beneath = Unearth mental models for yourself and for others

Be generative, not reactive = Make a habit of questioning underlying assumptions

Be the Vision Catalyst

Make it inclusive = Include as many stakeholders as possible in defining the organization's vision

Update often = Continuously question the fit between the vision of the organization, its members' aspirations and the overall environment

Focus on purpose = Drive engagement through purpose

Enable Dialogue

Practice the art of dialogue = Lead conversations that focus on understanding problems, not on reaching goals

Create safe spaces = Build space to experiment and share about success and failure

Think in Systems

Learn to see & accept complexity = Dare say that you don't know – yet

Understand the system = Nurture your capacities for systems thinking

* We have designed leadership development programs based on the above framework. Ask us about them at

hello@wdhb.com

Updating the people development agenda

The people and learning functions have a key role to play in fostering organizational learning and sustaining the Learning Organization. Using Senge's five disciplines, we have derived agenda items for tomorrow's people development function. *

Grow Yourself & Others

Build an enabling ecosystem = Minimize mandatory trainings, focus of providing an engaging ecosystem for learning

Provide time & space for self-reflection = Insert self-reflection & mindfulness programs into the L&D curriculum

Challenge Assumptions

Enable workflow learning = Design for in-action and on-the-job reflection

Incorporate mental models into trainings = Add modules to understand assumptions, bias and mental models

Champion the discipline of mental models = Make sure that organization-wide assumptions are regularly surfaced & challenged

Be the Vision Catalyst

Be the vision coordinator = Challenge leaders on how open and inclusive the visioning process is

Offer constructive feedback = Hold leaders accountable for the fit between vision and action

Inquire about purpose = Help employees unveil their individual purpose and reflect on the organization's

Enable Dialogue

Be a dialogue facilitator = Facilitate regular dialogues and build dialogic skills amongst employees

Beware bad KPIs = Challenge KPIs that hinder learning

Make learning easy = Make sure that the learning and knowledge management infrastructure is enabling

Think in Systems

Monitor change = Have the right tools in place to manage change and measure learning

Become reflective practitioners = Challenge yourself and your function to role-model the Learning Organization principles

* We are happy to discuss how the above mentioned agenda fits with your current L&D strategy and to support you in defining what the future Learning Organization looks like in your company.

hello@wdhb.com

About WDHB

Since the invention of the Learning Expedition by WDHB 30 years ago, we have been at the forefront of organizational learning. We are driven by the vision of a world that allows each and everyone to leverage experiences and exchanges across cultures to grow personally and professionally. Business landscapes, technologies as well as consumer and employee expectations have drastically changed. Being able to constantly learn, unlearn and relearn has become more essential to strategic success than ever before. For individuals and organizations wishing to embrace new mindsets on change, agility and disruption, we count as trusted and purpose-driven partner. Together, we co-create award-winning programs to trigger, accelerate, solidify or sustain organizational transformation.

Founded in 1989 in the San Francisco Bay Area, WDHB has evolved to become a small but truly global company, with offices in Denver, Paris, Singapore, Shanghai and Zurich. We have delivered more than 600 bespoke L&D programs, and our network of partners and contributors spans 5 continents.

About WDHB Lab

Our lab team is a network composed of researchers, strategists and experts in L&D, psychology, organizational behavior and innovation management. Our goal is to explore the drivers of learning and change within individuals, groups and organizations, in order to design new and disruptive formats to enable sustained transformation. We are always on the lookout for diverse talent. If you would like to react to our publications or to suggest collaboration opportunities, please feel free to touch base with us at lab@wdhb.com

Change the conversation.
Transform your world.

WDHB
Strategic Learning

"A learning organization is an organization that is continually expanding its capacity to create its future."

Peter Senge

WDHB Strategic Learning

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