ADB

Learning for Change in ADB

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Asian Development Bank

Contents

Foreword

Learning is the key to success—some would even say survival—in today's organizations. Strategy 2020, the Asian Development Bank's (ADB) long-term strategic framework for 2008–2020, argues that ADB must play a bigger part in putting the potential of knowledge solutions to work in Asia and the Pacific. This means that its knowledge should be continuously enriched through both internal and external learning. For this to happen, ADB must become a more flexible organization. *Learning for Change in ADB* offers timely, practical guidance to support and energize ADB's organization, people, knowledge, and technology for learning, helping deliver the increased development effectiveness that Strategy 2020 seeks.

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Preface

To William Easterly,

[t]he environment that created aid bureaucracies led those organizations to (i) define their output as money disbursed rather than service delivered; (ii) produce many low-return observable outputs like glossy reports and "frameworks" and few high-return less-observable activities like ex post evaluation; (iii) engage in obfuscation, spin control, and amnesia (like always describing aid efforts as "new and improved" so that there is little learning from the past; [and] (iv) put enormous demands on scarce administrative skills in poor countries.[1]

E ven if there is only a small measure of truth in these charges—and the milieu in which development agencies operate is far from being entirely of their own making—the colossal investments in development work make it important to demonstrate the use of learning to improve organizational performance for aid effectiveness. (Here the emphasis is more on effectiveness than on impact—impact rests on many more factors than development assistance.) Yet study after study of the outcome and impact of operations casts doubt on the ability of development agencies to learn from experience. More often than not, organizational responses to shortcomings or errors are self-deceiving or defeated, and too infrequently are they learning responses. In short, the environment in which development agencies work has changed and is changing considerably but, failing to learn, development agencies rarely transform at the same pace.

At the same time, this rapidly changing[2]—and, at times, excessively complex—nature of development work demands diverse competences from staff members.[3] In addition to technical knowledge and skills, they include no less than appreciating political economy;[4] relationship building; reading and responding to complex organizational and social predicaments; and the capacity to contend with uncertainty, task-compromise, and deal with difference and diversity. (The hallmark of aid has always been imbalance between aspirations, competences, and resources.)

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1   Easterly, W. 2002. The Cartel of Good Intentions: Bureaucracy Versus Markets in Foreign Aid. *Center for Global Development Working Paper* No. 4. Available: www.cgdev.org/files/2786_file_cgd_wp004_rev.pdf

2   For instance, trends in rural development ideas alone included modernization in the 1960s, state intervention in the 1970s, market liberalization in the 1980s, participation and empowerment in the 1990s, and poverty reduction in the 2000s, each theme accompanied by dominant and subsidiary discourses.

3   The questions that development agencies face in inducing economic and social progress are perhaps the most complex and ill-defined questions facing humanity. For that reason, development agencies are not always clear about what they should be learning or how to make sense of what they do. If this shows that development is essentially a knowledge-based endeavor, the importance of learning what works—and why—will be recognized as central to success. Paradoxically, knowing what does not work is almost more important.

4   Development is often about power relationships and the allocation of resources and opportunities. Some argue that working on these is markedly more complex than selling commercial products and services.

The learning challenges that these demands present to staff members require the ability to work more reflectively in a turbulent practice environment. Supportive intraorganizational environments would enable better dynamics and higher quality of learning to take place where individual and collective learning build on each other in a spiral arrangement, much like the double helix of DNA.

System dynamics view an organization and its environment as complex, interrelated, and in constant flux. To remain relevant and effective in a turbulent environment, an organization's rate of learning must be at least equal to—but preferably greater than—the rate of change in the environment. All things considered, organizations that fail to learn at the minimum pace are destined for insignificance. In recent years, there has been much discussion of learning in organizations, especially in the corporate sector—its tone often academic. Of course, organizations per se are not sentient beings with the capacity to learn. Yet the individuals within them can learn, individually and collectively, and therefore bear responsibility at both levels for making the whole greater (or lesser) than the sum of its parts. Collective learning is called organizational learning, which is explained as the ability of an organization to gain insight and understanding collectively and consciously from its own (and others') experience, and subsequently to change its behavior to improve practice. Organizational learning is achieved through experimentation, observation, analysis, and (most importantly) a willingness to examine both successes and failures.

Learning acquired by increasing technical knowledge and skills, sharing information, and attending traditional training is no longer sufficient to the challenge of poverty reduction. The lack of critical thinking is not intentional. The idea of single-, double-, and triple-loop learning[5] helps explain this experience. Learning is often narrowly focused on first-order instrumental questions like: How do we do it? (following the rules). Yet learning is stronger when people ask the second-order question: What should we do? (changing the rules). The third-order question is expressly political: Why should we do it? (learning about learning).

These three views compete with each other: a task (instrumental) orientation versus a process (normative) orientation versus a power (political) orientation—or, the technocrat, the philosopher, and the advocate. A bias toward the technical "how" is single-loop learning. People are more likely to reconcile the first two sets of questions of how and what to do—ergo, double-loop learning. Questioning why is usually abandoned as ideological, threatening, or not productive. However, when people "loop" through, considering all three types of questions, they make more responsible and intelligent choices. Yet what are the conditions for double- or triple-loop learning that could partly address Easterly's indictment?

In aid agencies, what barriers might there be to such learning? Where are the dimensions of a learning organization already discernible? At what levels? How might the ideal of a learning organization be approached practicably? How might leaders leverage creative thinking and innovation in support of learning? What deep commitments to change might be called for? And how might evaluation add more value to learning? Based on its responses to these questions detailing specific actions, the Asian Development Bank (ADB) will become better placed in the context of knowledge-based aid to (i) develop knowledge strategies for information management and organizational learning; (ii) cultivate partnership mechanisms for the transfer of knowledge and learning to its developing member countries; and (iii) build in developing member countries capacity to absorb, apply, and provide knowledge.[6] ADB might also become a healthier and more enjoyable place to work.

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[5]   Flood, R., and N. Romm. 1996. *Diversity Management: Triple Loop Learning*. West Sussex: John Wiley & Sons.
[6]   Ramalingam, B. 2005. Implementing Knowledge Strategies: Lessons from International Development Agencies. *Working Paper* 244. London: Overseas Development Institute. Available: www.odi.org.uk/rapid/publications/documents/wp244.pdf

Some learning in organizations rests not on an accumulation of new knowledge but on an abandonment of things already "known". This transformational learning is normally triggered when our assumptions no longer explain our experience. Like the astronomers, Ptolemy's earth-centric view is abandoned to embrace the radical Copernican notion that the earth revolves around the sun. Such revolutions in thinking, while painful, benefit practice greatly. When understood, this cycle of critical reflection and action, fundamental to adult learning, can be harnessed for change. Every person within an organization, regardless of formal status, can be a change leader. While learning is often relegated to technical dimensions of work, transformational learning requires courage, wisdom, and vision and is best supported collectively in an organization or community. This is not an outcome of traditional training.

Learning for Change in ADB is offered as a resource and reference to ADB staff members in general, but to management in particular. Learning leaders are key to learning organizations—this document may stimulate or inform their initiatives to transform the organization for learning excellence. The key attributes of *Learning for Change in ADB* are that it marks out generic roadblocks to learning; assimilates the manifold dimensions of the learning organization; and specifies how action across organization, people, knowledge, and technology can energize and support individual, team, and cross-functional learning, and in return, be enriched by learning. Readers are invited to refer to the *Knowledge Solutions* series (www.adb .org/knowledgesolutions/default.asp) that was launched in support of *Learning for Change in ADB*. The *Knowledge Solutions* series is a collection of handy, quick reference guides to tools, methods, and approaches that propel development forward and enhance its effects. The series aims to boost competencies in the areas of strategy development, management techniques, collaboration mechanisms, knowledge sharing and learning, and knowledge capture and storage—all of them essential to knowledge management and learning. Together, *Learning for Change in ADB* and the *Knowledge Solutions* series can help ADB improve its development effectiveness. *Learning for Change in ADB* may also appeal to people having general interest in knowledge management and learning.

Learning for Change in ADB was written by Olivier Serrat, principal knowledge management specialist. He is grateful to Bruce Britton for helping detail the learning organization model, formulate the questionnaire that might gauge perceptions of competencies to learn for change, and particularize the challenges that ADB must overcome. Work in that last area was informed by a 2008 review of ADB's knowledge management experience, and further work in 2009 on developing ADB as a learning organization. Special thanks also go out to Peter Malvicini for his encouragement and suggestions.

Introduction

Contemporary society is one rife with organizations, into which few look deeply—and fewer still into the forces for learning that shape these organizations. Indeed, for all the talk from policy makers, practitioners, bureaucrats, taxpayers, and students, there has been, until fairly recently, a surprising lack of critical and creative thinking about what learning actually means.[7] Well into the 1970s, textbooks still characterized learning as an outcome—the recognizable product of some process. Certainly, these books emphasized a fundamental aspect of learning—that is, change—but glossed over the nature or depth of change. In the last 15 years, approaches to learning have expanded to encompass not just a subject in which one is instructed but also something that people do to understand the world. Focusing on learning as a process—be it task-conscious or learning-conscious, whereby people change as a result of experience—has opened rich investigations in humanist, cognitive, behavioral, and social (situational) orientations to learning.[8] *Learning for Change in ADB* discusses only the last of these, the locus of which is the relationship between people and their environment.[9] In the context of organizations, learning is defined as meaningful individual and collective acquisition and development of memories and skills, knowledge, understanding, values, and wisdom from study, instruction, or experience.

In the late 1980s, the emergence of the idea of a learning organization stemmed from notions of the learning society[10] and knowledge-based economies, the latter

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[7] Despite nearly a century of educational research, including the work of pioneers such as John Dewey, education was dominated by the practice of drilling information into learners' heads. Such transmission models are still prevalent in the education of children and adults in both industrialized and developing countries.

[8] These see the purpose of education, respectively, as being to produce behavioral change in a desired direction, develop capacity and skills to learn better, become self-actualized and autonomous, and participate fully in communities of practice and use of resources.

[9] Social (situational) learning is not seen as the acquisition of knowledge by individuals as much as a process of social participation, awareness raising, or criticism. The nature of the situation impacts significantly on the process.

[10] Possibly, the essential contribution here was made by Donald Schön in the 1970s. With a focus on businesses, he provided a theoretical framework linking the modern experience of living in a situation of increasing change to the need to learn and adapt. With Chris Argyris, he then cultivated important concepts such as reflective practice into organizational learning.

fueled by globalization. In 1990, Anthony Giddens expressed that as "the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa,"[11] that is, the spread and connectedness of production, communication, and technologies across the world.[12] The basic insight underlying these notions is that as the scope, scale, and speed of change grow, so do the risks from not learning. Learning is a quality not just of individuals but also of systems.

Considering these composite developments, new concepts of learning should be approached with caution, pending more clarity. Then again, interest in a learning society links learning explicitly to the future, creating an opening to critique the minimal learning demands of much work in contemporary societies and their organizations, not to mention how society approaches formal and informal education. Naturally, corporations have recognized the commercial significance of organizational learning—the ideal of the learning organization drives this, even if the meaning of what that is is colored by multiple disciplines.[13] In the development arena, many civil society and nongovernment organizations embrace the learning organization's ideas and terminology with enthusiasm, perhaps because their size, funding, and proximity to truth encourage the search for

motives, means, and opportunity necessary to challenge, innovate, and experiment. The experience of these organizations deserves study.

Figure 1 sums up notions of learning in the organization. It shows that the focus of organizational learning is on the theoretical and procedural ways in which an organization acquires and develops the knowledge it needs to fit new realities. Conversely, interest in a learning organization follows an aspirational approach to describe the characteristics of an organization that successfully learns. Likewise, a contrast exists between theoretical and practical approaches to content, the former labeled as "organizational knowledge" and the latter as "knowledge management."[14]

Nothing ages so quickly as yesterday's vision of the future.

—Richard Corliss

The Asian Development Bank (ADB) is an aid agency with the difficult mission of reducing poverty in Asia and the Pacific. Poverty may be a problem that can be managed or contained to some extent, but not solved completely and forever. Economic and social progress is about change in human systems at individual, family, community, and wider

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[11] Giddens, A. 1990. *The Consequences of Modernity*. Stanford: Stanford University Press. Confusingly, globalization has become a catchphrase relating to internationalization, liberalization, universalization, westernization or modernization, and—perhaps more meaningfully—deterritorialization.

[12] Alternatively, it might be the interdependence represented by popular social movements with slogans such as "think global, act local."

[13] Diverse disciplinary perspectives include management science; organizational development; futures research; anthropology, field studies, and organizational culture; philosophy of science, knowledge, and action research; cognitive psychology and learning theory; sociology and organizational theory; strategy; production management; and cultural anthropology. Each provides distinct contributions and conceptions of problems.

[14] Definitions of "knowledge management" abound. *Learning Lessons in ADB* defines it as the explicit and systematic management of processes enabling vital individual and collective knowledge resources to be identified, created, stored, shared, and used for benefit. See ADB. 2007. *Learning Lessons in ADB*. Manila: ADB. Available: www.adb.org/documents/reports/learning-lessons-adb/strategic-framework-2007-2009.asp. Knowledge management underpins (or at least enables) organizational learning and is generated by it. It follows, therefore, that learning organizations are well able to identify, create, store, share, and use knowledge for organizational effectiveness.

**Figure 1: Theoretical Directions in Research on
Organizational Knowledge and Learning**
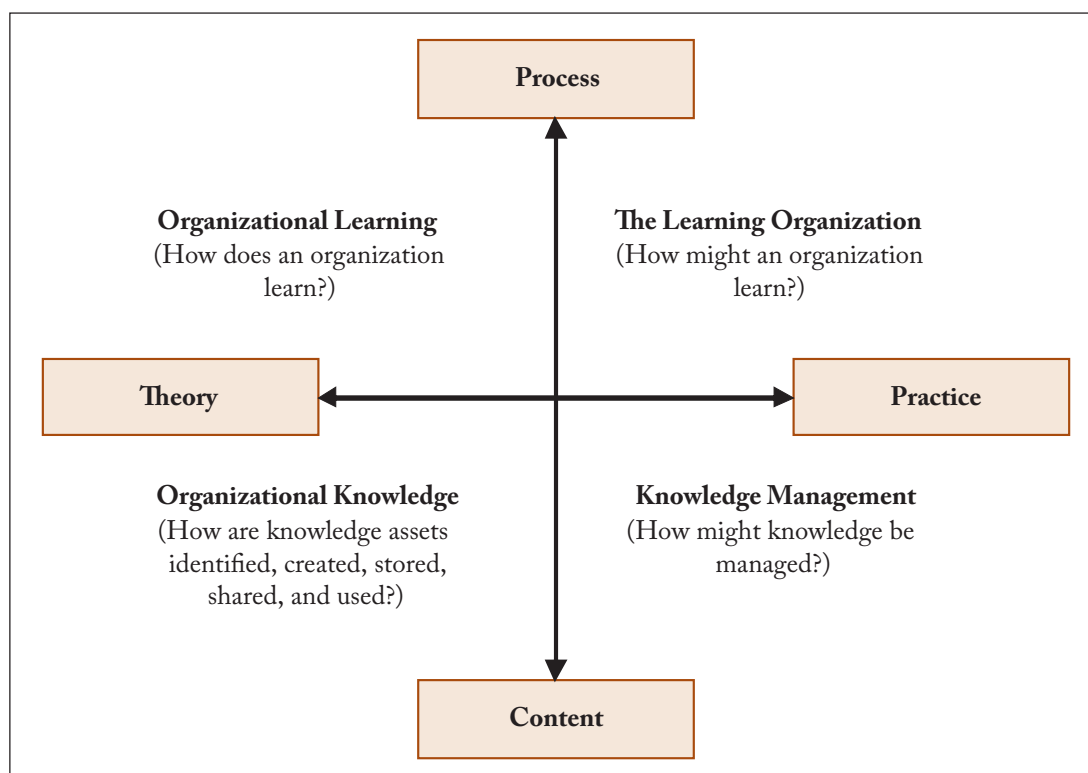
Source: Adapted from Easterby-Smith, M., and M. Lyles, eds. 2003. *Handbook of Organizational Learning and Knowledge Management.* Oxford: Blackwell Publishing.

societal levels.[15] Progress is complex, uncertain, and unpredictable. It is beset by analytical, ideological, interest-based, and scientific disagreements. To improve development effectiveness, ADB—like many other development (and humanitarian) agencies[16]—has, since the 1990s, undergone much change[17] involving organizational growth, organizational restructuring, and decentralization by establishing field offices while retaining significant decision-making authority at headquarters.[18] Challenges withstanding, ADB has also

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[15] Development is about people—how they relate to one another and their environment, and how they learn in doing so. The technique of outcome mapping puts people and learning first and accepts unexpected change as a source of innovation. It shifts the focus from changes in state, such as reduced poverty, to changes in behaviors, relationships, actions, and activities.

[16] Time and again, discussions of organizational performance at ADB are spoiled by the tendency to treat ADB as separate and unique, and discuss it in bank-specific terms. ADB's basic function and mission, work, compliance systems, governance, revenue base, authorizing environment, competitive environment, and staffing show it to be one of several comparable development agencies.

[17] In the 1960s and 1970s, ADB was a small professional organization. Its agendas multiplied in the mid-1980s, fueled by post-Cold War enthusiasm for free markets and the related convention that productive activities should be designed and developed by the private sector.

[18] Decentralization in the form of resident and regional missions and representative and other offices created disconnected "silos" with little lateral contact, lacking channels of exchange with specialist advisers at headquarters. The information systems that serve them are, at best, fragmented and difficult to access. At worst, they are incomplete, inaccurate, or nonexistent. Long overdue, efforts are under way to overhaul the information system.

witnessed and gained from far-reaching improvements in information and communication technology in the last 20 years.

However, in 2007, the Eminent Persons Group[19] saw the nature and pattern of Asia's growth from the 1990s leading to fundamental changes in demand for ADB's products and services. ADB revised its long-term strategic framework to reshape, redirect, and reposition the organization for a more innovative and effective development role in a rapidly changing region and within the international aid architecture to 2020.[20] Yet repositioning an organization is not easy, as people fear the unknown, especially when there is no turning back. Therefore, organizational structures are often reinvented to solve yesterday's problems instead of tomorrow's priorities—they become reactive, failing to adapt actively to the changing environment.[21] A prime area of deliberation should be how to transform data, information, knowledge, and wisdom into organizational change.[22]

ADB would be well served if its staff members and management understood more clearly the intended and unintended consequences of their actions and were better able to adapt and change in light of experience[23] and ideas.[24] Therefore, what the organization rewards is critical. If those who rapidly adapt are ignored or even punished, transformation is unlikely, while positive recognition supports a culture of learning and change. Preferably, the catalysts for change should be internal while the need for change is driven by constantly adapting to the greater working environment in Asia and the Pacific.[25] As an example, the World Bank accredited the

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[19] This Eminent Persons Group gave its views on the future of the region and made recommendations on ADB's role in ADB. 2007. *Toward a New Asian Development Bank in a New Asia: Report of the Eminent Persons Group to the President of the Asian Development Bank*. Manila: ADB. Available: www.adb.org/documents/reports/epg-report.pdf

[20] ADB. 2008. *Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank 2008–2020*. Manila: ADB. Available: www.adb.org/documents/policies/strategy2020/strategy2020.pdf

[21] *Toward a New Asian Development Bank in a New Asia* (footnote 19) is a case in point. Strategy 2020 holds out only one future that underplays the unpredictability of the world. For a note on scenario planning, a method some organizations use to make flexible long-term plans, see Serrat, O. 2008. *Reading the Future*. Manila: ADB. Available: www.adb.org/documents/information/knowledge-solutions/reading-future.pdf. As early as the mid-1980s, Henry Mintzberg drew a distinction between deliberate and emergent strategies—which may be conceived as two ends of a continuum along which real-world strategies lay—and saw the need to direct to realize intentions while at the same time anticipating an unfolding pattern of action. See, for example, Mintzberg, H., and J. Waters. 1985. Of Strategies, Deliberate and Emergent. *Strategic Management Journal*. 6 (3). pp. 257–272. Open systems theory contends "active adaptive" learning communities face a changing "emerging" environment better than organizations assuming stability. See Emery, F., and E. Trist. 1965. The Causal Texture of Organizational Environments. *Human Relations* 18, pp. 21–32.

[22] The caution here is that change is not necessarily based on learning. In the same vein, changed practice is not automatically improved practice; one often learns the wrong lessons, or wrongly applies lessons that were valid elsewhere to a different situation. Hence, organizational learning cannot rely on institutional memory nor on a "lessons learned" or "best practice" attitude.

[23] This does not mean ADB's experience alone but also that of other bilateral and multilateral development agencies, civil and nongovernment organizations, clients, think tanks, best-practice organizations in humanitarian and development aid, and the private sector. System-wide learning between and across agencies is sometimes referred to as institutional learning.

[24] More specific levels of learning, corresponding to different levels of action, could be found in participatory learning in the field, program- or project-based learning, policy-related learning, policy-influencing learning, and accountability, for example.

[25] Internal drivers include evaluative research, monitoring, self-evaluation, and independent evaluation (including impact evaluations). External factors include the media and other forms of public criticism, watchdogs, donor pressure, financial and other crises, audits, and peer pressure. In rare cases, advisors and consultants have made a difference. Distressingly, observers of development agencies seem to agree that most change owes to external pressure.

role of knowledge and learning in development 10 years ago.[26] More and more, it views knowledge and learning as crucial components to improve the effectiveness of development work. In its organizational learning, leaders give priority to human dimensions of continuous learning as integral to practice. In addition, the World Bank sees itself as a community of communities that links and simultaneously fosters working, learning, and innovating, which is directly connected to its development effectiveness.[27]

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[26] World Bank. 1998. *World Development Report 1998/1999: Knowledge for Development*. Washington, DC. As it happens, the World Bank's vision may already be passé. Organizational boundaries have been stretched, morphed, and redesigned to a degree unimaginable 10 years ago. Learning organizations now learn to work with network principles. Today, networks, alliances, partnerships, and other forms of collaboration play a significant role in how individuals, groups, organizations, and related systems operate. It will be more so tomorrow.

[27] The most common reason for investments in organizational learning is to increase organizational effectiveness. Organizational effectiveness is how effective an organization is in achieving the outcomes it intends to produce. In this context, the special contributions that organizational learning can make include developing organizational capacity, making the best use of limited resources, strengthening partnerships, closing the gap between monitoring and evaluation and planning, and creating a healthy organization.

Learning in Organizations

An organization's ability to learn, and translate that learning into action rapidly, is the ultimate competitive advantage.

—Jack Welch

Humans live in an organizational world from birth and depend on organizations as infants, children, youth, students, citizens, consumers, clients, employers, and employees. Most people spend their working lives in formal organizations. What might a conceptual framework for learning in organizations look like? How is this different from individual learning in schools? A starting point is purpose—people organize when acting alone limits their ability to achieve. Historically, models for organizational rationality and efficiency echoed religious or military forms. At the turn of the 20th century, Taylorism[28] (scientific management) guided industrial and commercial organizations. Today, most organizations are designed as bureaucracies in which authority and responsibility are arranged in hierarchy.[29] Yet the purpose for which a group exists should be the foundation for everything that its members do. The idea is to organize in a way that best suits that, and, increasingly, the attention has turned to classifying different forms of organizational structure and exploring their implications. However, instead of form (structure) following function (work tasks), bureaucracies normally fill positions.[30] Next, one could examine if individual and collective experience is leveraged for learning and development, and what forms of learning might suit each. From then, one might broadly define learning propensities necessary to achieve purpose, recognize common roadblocks to these, and visualize promising dimensions for strategic action.

Configurations of Organizations

At the heart of any organization are the employees who produce its products and deliver its services. They are its operating core. Next, all but the simplest organization require at

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[28] A precedent to industrial engineering, scientific management sought to optimize workflow processes thereby improving labor productivity. Contemporary management critiques Taylorism as deskilling and dehumanizing workers.

[29] Rules, policies, and procedures are applied across the hierarchy to control behavior. Activity is organized in subunits (offices or departments) in which people perform specialized functions. Those who perform similar tasks are often clustered together.

[30] Bureaucratic ways of organizing limit or work against learning. It is possible for groups to "learn their way out" toward more effective work relationships—those in which responsibility and control for work rests primarily with people who do the work. Although the principle is simple, unlearning bureaucratic behavior is extremely difficult.

Figure 2: Internal and External Influencers of an Organization
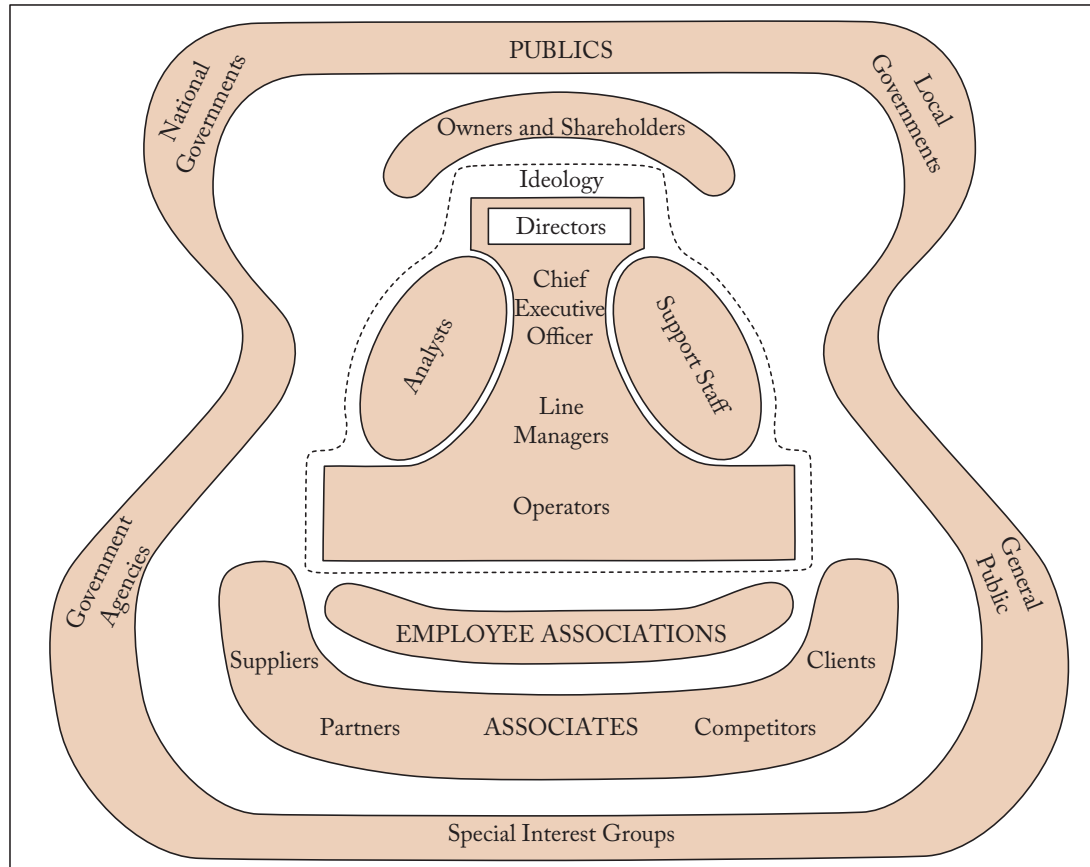
Source: Mintzberg, H. 1989. *Mintzberg on Management: Inside Our Strange World of Organizations*. New York: Simon & Schuster.

least one full-time manager,[31] who occupies what might be called the strategic apex—from where the organization is overseen. Then, typically, as organizations grow, they add more managers who manage operators and their managers, forming a middle line between the operating core and the apex position. As it grows ever more complex, the organization includes a technostructure of analysts; like managers, they perform administrative duties—specifically, they will plan and control the work of others. Most organizations will also have support staff who provide diverse internal services, such as travel services offices, information systems and technology, or external relations. Lastly, every organization has an ideology—a culture that infuses the structure and sets it apart from others, sometimes a little, sometimes very much. Figure 2 depicts how these six basic parts may be thought as influencers that form a community of practice; it suggests also that entities outside the organization exert influence to affect the decisions and actions it takes. The role of this task environment is crucial but often poorly understood.

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[31] Whether this manager primarily functions as a supervisor controlling the work of subordinate employees or as a leader undertaking strategic high-level support roles for the group depends on the culture. Without conscious choice, most organizations create complex inefficient hierarchies of control.

Figure 3: Basic Pulls on the Organization
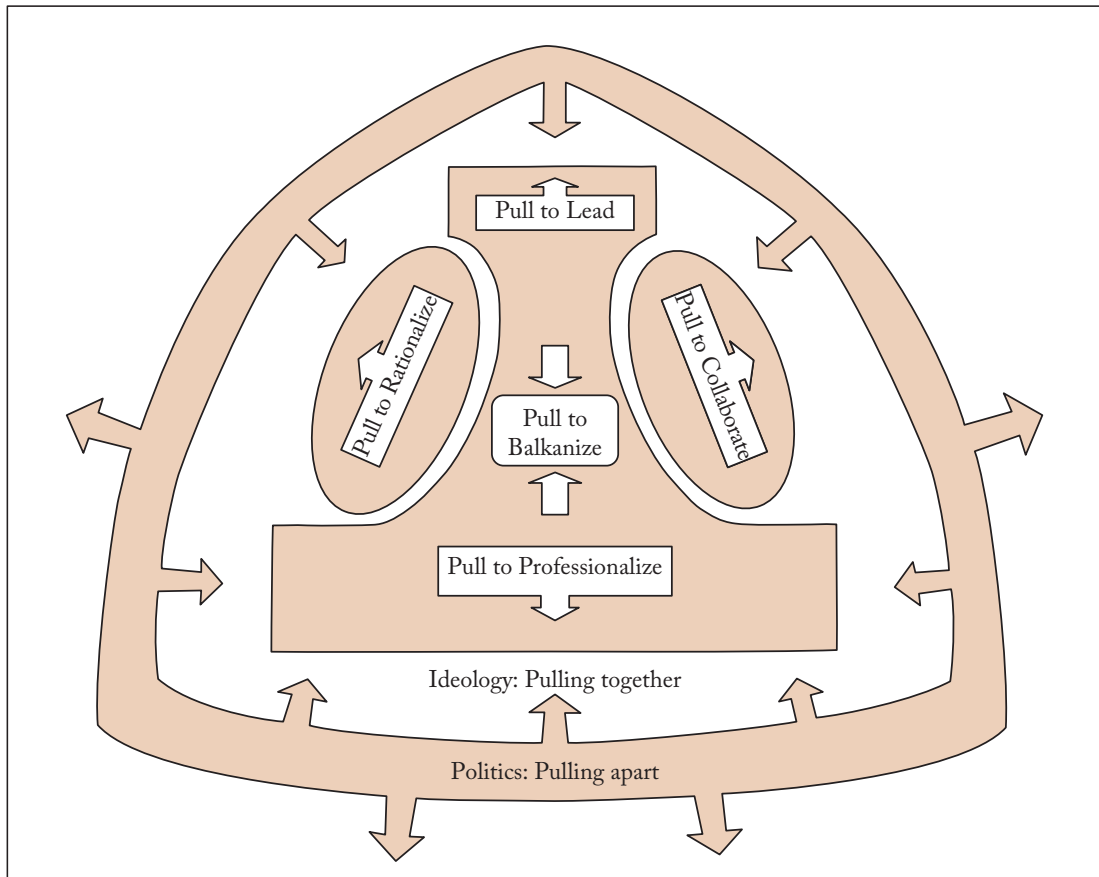
Pull to Lead

Pull to Rationalize

Pull to Collaborate

Pull to Balkanize

Pull to Professionalize

Ideology: Pulling together

Politics: Pulling apart

Source: Mintzberg, H. 1989. *Mintzberg on Management: Inside Our Strange World of Organizations*. New York: Simon & Schuster.

The members of the operating core will pull to professionalize to minimize the influence others may have over their work. Naturally, the strategic apex will exert its pull to lead, if only to retain control over decision making by direct supervision. In their search for autonomy, the middle line will balkanize the structure and concentrate power through vertical decentralization to themselves. The technostructure will endeavor to rationalize by standardizing business processes. Support staff will collaborate to involve themselves in the central activity of the organization. Ideology, where it exists as a force in organizations, encourages members to pull together. Lastly, politics may also exist in certain types of or-

ganizations—especially when no part dominates—and cause people to pull apart. Together, these configurations and the pulls and needs represented by each seem to encompass and integrate a good deal of what is known about organizations. Figure 3 shows all basic pulls on an organization. When conditions favor one of these pulls, the organization will be drawn to design itself in a particular configuration.

Henry Mintzberg saw seven basic configurations, as shown in Figure 4. The "entrepreneurial organization" is a centralized—perhaps autocratic—arrangement typified by a small hierarchy with power in the hands of a chief executive, often the founder. Simplicity,

Figure 4: Types of Organizations

The Entrepreneurial Organization	The Machine Organization	The Diversified Organization
The Professional Organization	The Innovative Organization	The Missionary Organization
	The Political Organization	
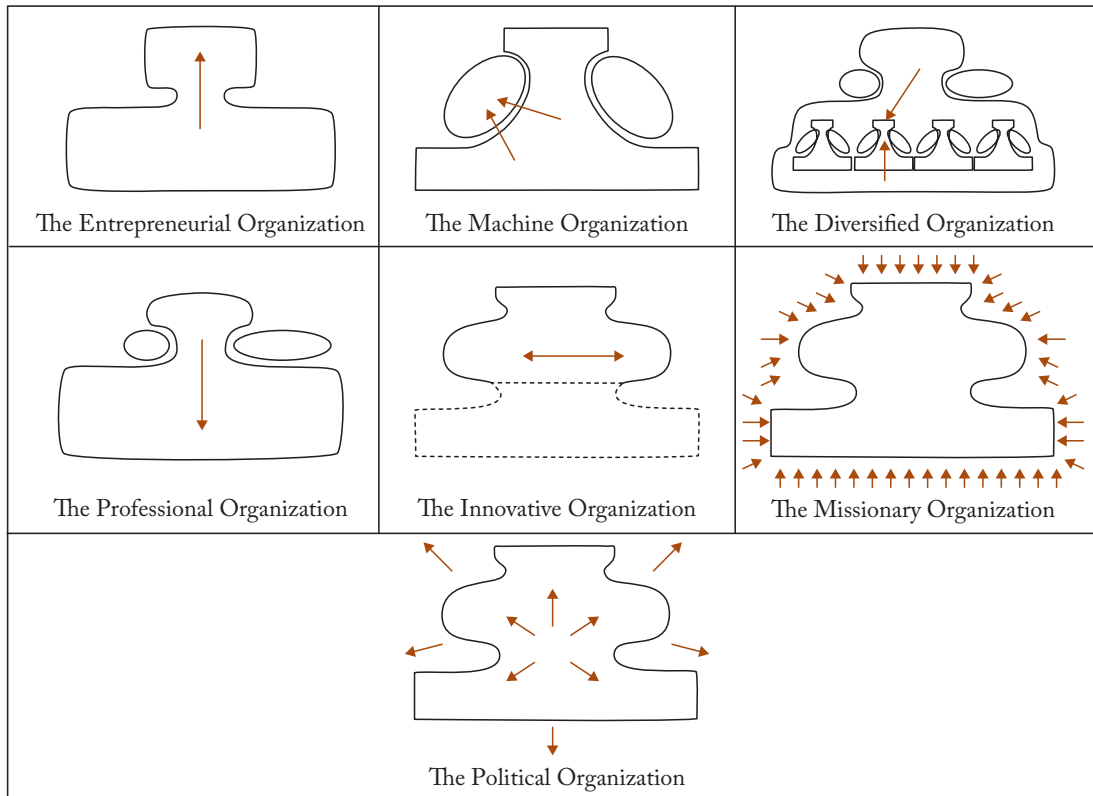
Source: Compiled from Mintzberg, H. 1989. *Mintzberg on Management: Inside Our Strange World of Organizations*. New York: Simon & Schuster.

flexibility, informality, and a sense of mission promote loyalty. The "machine organization" gains strength from its technostructure; it is best at mass production and is characterized by layers of management, formal procedures, sharp divisions of labor, and a large number of routine operations. The "diversified organization" is borne of mergers made to combine businesses into larger entities under the label of vertical integration, aiming to exploit synergies. The "professional organization" is built less on hierarchy than on shared experience, be it a practice, a school, or a hospital. It is more democratic and highly motivated than the machine organization, with lines of authority less clearly set out. The "innovative organization" that burgeoned after World War II is often found in new technology in-dustries, which need to innovate constantly and respond quickly to changing markets. In the "missionary organization" that spread from the mid-1970s on, ideology can be so strong that the entire structure is sometimes built around it, that is, coordinated through the standardization of norms and reinforced by selection, socialization, and indoctrination. Lastly, the "political organization" expresses itself in political games, with conventional notions of concentrated coordination and influence replaced by the play of informal power. However, the truth is that one can find all these forms in all organizations. Only truly creative organizations dedicated to continuous improvement and evolution model unique configurations. Drawing from the respective strengths of the seven types

of organizations, these configurations would integrate forces of direction, efficiency, concentration, proficiency, learning, cooperation, and competition.[32] Differences may often be detected across working groups, divisions, or departments as these units create their own configurations.

Windows on Learning

In an environment characterized by change and complexity, effective learning is invaluable. It is more than assimilating data and information (who, what, where, and when); knowledge (how); and wisdom (why); it is about achieving new understanding and insight. Many view learning as a cyclical process whereby people reflect on actions and associated results, and then reframe their original perceptions leading to new actions. Figure 5 depicts the cycle of learning from experience, used customarily for individuals rather than organizations.[33] The cycle depicted understates, however, the fact that learning often requires that one become critically aware of

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Learning is not compulsory… neither is survival.

—W. Edwards Deming

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one's own tacit assumptions and expectations and those of others, and assess their relevance for making an interpretation. Transformative learning of this kind takes place in three phases: critical reflection (involving deep, powerful emotions or beliefs); reflective discourse; and action.[34]

Yet what of organizations? Some would reduce organizational learning to the sum of individual learning. However, there is surely more to a learning organization than a collection of learning individuals. If organizational learning is mere cross-fertilization of individual learning, by what relationships might that process take place? Why do some in the corporate sector collectively and consciously gain insight and understanding from their own (and others') experience, becoming learning organizations that thrive? Like human communities, trusted relationships, learning agendas, and frequent opportunities to take part in conversations develop a broad capacity toward higher-order integration and better performance. Further, this collective learning occurs at five levels: (i) individual learning, (ii) team learning, (iii) cross-functional learning, (iv) operational learning, and (v) strategic learning. How can learning organizations be nurtured? This question demands ongoing reflection and a range of investigation.[35] Indeed,

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[32] Organizations can decide to move toward a particular type or types. The decision requires an articulated vision with action to adjust the structure, business processes, and norms resulting in a modified culture. If one wishes to reinforce professional, innovative, or entrepreneurial types, the actions should come from the employees with management support versus control. While workers obviously understand their work best, they rarely control the design of structures and business processes to guide it. Contemporary organizational development research and practice proves that employee-driven approaches are the only way toward sustainable improvements in quality, productivity, and staff engagement.

[33] *Auditing the Lessons Architecture* describes the complex learning cycle of ADB's Operations Evaluation Department (now the Independent Evaluation Department), explaining how the department's evaluation community of practice animates organizational learning. See ADB. 2008. *Auditing the Lessons Architecture.* Manila: ADB. Available: www.adb.org/documents/studies/auditing-lessons-architecture/in371-07.asp

[34] Naturally, there are implications for training programs. Yet, too often, organizations are tied to quite traditional approaches to learning that in many ways are incompatible with the vision for organizational learning.

[35] *Auditing the Lessons Architecture* (footnote 33) identifies where profits may lay, including clarified vision, purpose, values, and organizational behavior; a wider range of solutions to organizational issues; better client relations; improved quality of products and services; deeper understanding of risks and diversity; increased ability to manage change; awareness of the critical nature of interdependence; superior performance and competitive advantage; the reduced likelihood of repeated mistakes; a more energized and committed workforce; and personal and spiritual well-being.

Figure 5: Learning from Experience
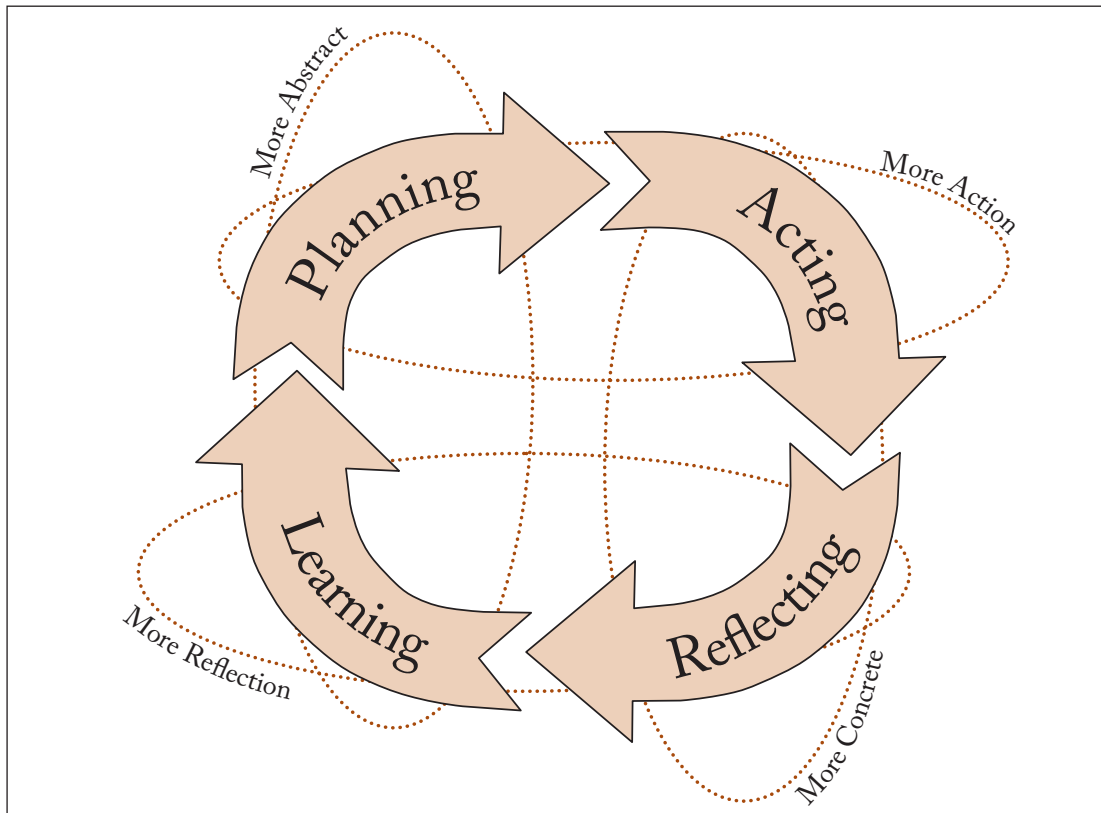
Source: Adapted from Kolb, D. 1984. *Experiential Learning: Experience as the Source of Learning and Development*. Englewood Cliffs, New Jersey: Prentice Hall.

Figure 6 intimates that the unexpected must be expected when different perspectives on process, structure, meaning, and knowledge-power address organizational learning. Each speeds discovery, invention, production, and generalization. Notwithstanding, the purpose of learning in organizations is to improve practice,[36] and the bottom line is that action should result whenever possible.

Organizational learning may still be seeking a theory—inevitably much writing on the learning organization is aspirational and highlights characteristics such as adaptability, responsiveness, vision, and transformation. To improve practice, it encourages organizations to go beyond a single-loop learning focus on efficiencies and first-order symptoms,[37] to double-loop and even triple-loop learning. In double-loop learning, organizations continuously challenge assumptions, categorize second-order problems from patterns, and rethink underlying strategy based on insights. They examine how practice diverges from their working theory and deal with inconsistencies (changing the rules and procedures). Hence, double-loop learning often challenges the status quo of existing processes. In triple-loop learning, the highest order of organizational learning, they question the raison d'être of the organization; reconsider

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[36] Since the practices of organizations differ, there can be no shying away from examining "corporate DNA". In other words, why are organizations what they are? Organizational learning provides a forum for appreciative inquiry toward this. Ultimately, improved practice springs from a higher quality of life, products, work, relationships, action, personal energy management, active and reflective thinking, as well as knowledge and wisdom.

[37] Single-loop learning does not analyze problems or their root causes, neither does it challenge "defensive routines" that bind people into fixed sets of rules, procedures, and responses.

Figure 6: Four Windows on Learning

Systems of Process	Systems of Structure
Process refers to flows of events undertaken for a particular activity.	Structure refers to organizational functions, rules, and procedures.
(Efficiency and reliability)	(Effectiveness)
Systems of Meaning	**Systems of Knowledge-Power**
Meaning refers to ways in which people define their relationships with others and the world.	Knowledge power refers to the validity of knowledge and legitimacy of actions based on it.
(Meaningfulness)	(Fairness)

Source: Adapted from Flood, R. 1999. *Rethinking the Fifth Discipline: Learning within the Unknowable*. London: Routledge.

its principles and policies; and arrive at renewed statements of identity, values, culture, and worldview (learning about learning) that may even impact their external environment. Their capacity to think creatively and act innovatively is multiplied.[38]

Needless to say, the questioning nature of double- and triple-loop learning and the challenges they pose to managers, principles, and policies explain why many organizations avoid such learning. Evaluation is allegedly all about learning and asks: Are we doing the right thing? And are we doing things right? It rarely asks: How do we decide what is right? Figure 7 explains the concepts associated with these three forms of learning.[39]

Literature on organizational learning and the learning organization has expanded rapidly and has been specifically applied to development agencies.[40] Box 1 opens with a

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[38] This is not to underestimate the second major constraint to learning, namely, the fact that most organizations use knowledge in tacit rather than explicit form. Ikujiro Nonaka is the writer most closely associated with the process of making tacit knowledge explicit. Inevitably, triple-loop learning reconsiders the power, politics, and judgments of fairness governing action.

[39] Note that all four windows on learning only find simultaneous use in the highest form, namely, triple-loop learning.

[40] Hovland, I. 2003. Knowledge Management and Organisational Learning, An International Development Perspective: An Annotated Bibliography. *Working Paper* 224. London: Overseas Development Institute. Available: www.odi.org.uk/publications/working_papers/wp224.pdf

Figure 7: Triple-Loop Learning
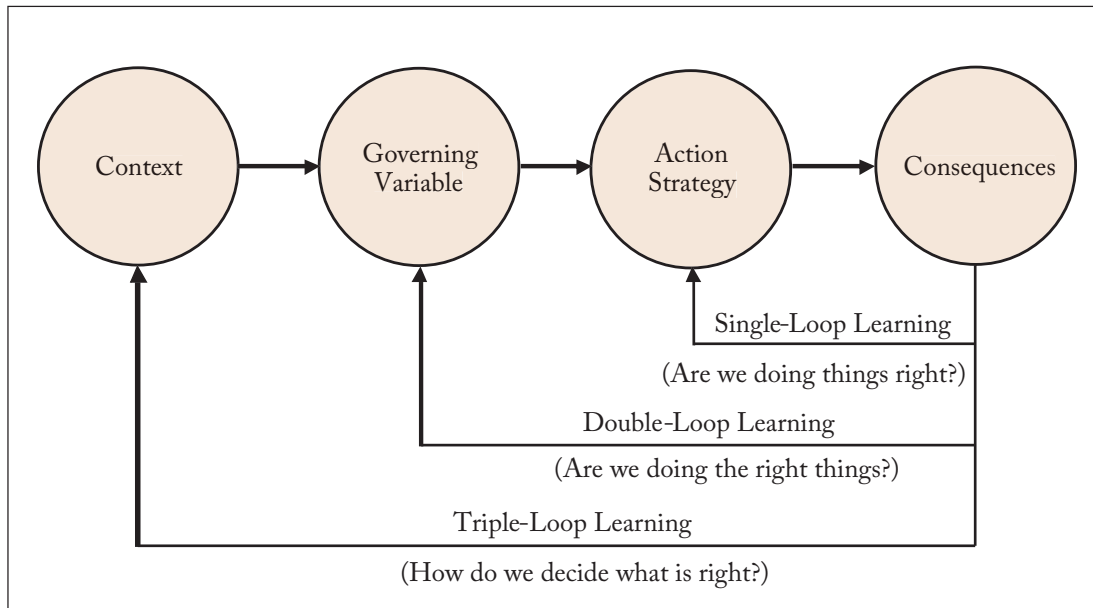
Source: Adapted from Argyris, C., and D. Schön. 1978. *Organizational Learning: A Theory of Action Perspective*. Reading, MA: Addison-Wesley.

If you know the enemy and know yourself, you need not fear the result of a hundred battles. If you know yourself but not the enemy, for every victory gained you will also suffer a defeat. If you know neither the enemy nor yourself, you will succumb in every battle.

—Sun Tzu

definition by Peter Senge[41] but many thinkers have honed discussion and practice with their insights, some descriptive and others prescriptive. The very context, content, and quality of the definitions are compelling; it makes one inquire about what individual and collective learning could result from effective action on these. The journey toward organizational learning may well be the reward.

Literature on organizational learning and the learning organization contains plenty of prescriptions on how to apply these concepts.

It is best, however, to describe a process reasonably well before prescribing how to improve it, and description lends itself to asking good questions about learning. Questions are often more useful than prescriptions, which fail to account for differences in the situation or context. Furthermore, questions beget deeper questions, allowing those who ask and answer to work through practical, normative, and political dimensions (loops) of a given situation and to take action that is thoughtful and deliberate. Of equal importance, one needs capacity to describe events if one proposes next to test if the prescriptions had effect. Descriptions have practical value, especially if they lend themselves to classification of indicators of when learning is taking place, and of different aspects of that process.

Learning for Change in ADB broadly defines a learning organization as a collective undertaking, rooted in action, that builds and improves its own practice by consciously

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[41] The Society for Organizational Learning (www.solonline.org), a global applied learning community, showcases much of Senge's work.

Box 1: Defining the Learning Organization

Learning organizations [are] organizations 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 learn together.[a]

Learning organizations are characterized by total employee involvement in a process of collaboratively conducted, collectively accountable change directed toward shared values or principles.[b]

The Learning Company is a vision of what might be possible. It is not brought about simply by training individuals; it can only happen as a result of learning at the whole organization level. A Learning Company is an organization that facilitates the learning of all its members and continuously transforms itself.[c]

A company that can respond to new information by altering the very "programming" by which information is processed and evaluated.[d]

The essence of organizational learning is the organization's ability to use the amazing mental capacity of all its members to create the kind of processes that will improve its own.[e]

[An] organization with an ingrained philosophy for anticipating, reacting, and responding to change, complexity, and uncertainty.[f]

[An] organization that acquires knowledge and innovates fast enough to survive and thrive in a rapidly changing environment. Learning organizations (i) create a culture that encourages and supports continuous employee learning, critical thinking, and risk taking with new ideas; (ii) allow mistakes and value employee contributions; (iii) learn from experience and experiment; and (iv) disseminate the new knowledge throughout the organization for incorporation into day-to-day activities.[g]

Learning organizations are those that have in place systems, mechanisms, and processes that are used to continually enhance their capabilities and those who work with it or for it, to achieve sustainable objectives—for themselves and the communities in which they participate.[h]

[a]   Senge, P. 1990. *The Fifth Discipline: The Art and Practice of the Learning Organization.* New York: Currency Double Day.
[b]   Watkins, K., and V. Marsick. 1992. Building the Learning Organization: A New Role for Human Resource Developers. *Studies in Continuing Education.* 14 (2). pp. 115–129.
[c]   Pedler, M., J. Burgoyne, and T. Boydell. 1991. *The Learning Company. A Strategy for Sustainable Development.* London: McGraw-Hill.
[d]   McGill, M., J. Slocum, and D. Lei. 1992. Management Practices in Learning Organizations. *Organizational Dynamics.* 22 (1). pp. 5–17.
[e]   Dixon, N. 1994. *The Organizational Learning Cycle. How We Can Learn Collectively.* London: McGraw-Hill.
[f]   Malhotra. Y. 1996. *Organizational Learning and Learning Organizations: An Overview.* Available: www.kmbook.com/orglrng.htm
[g]   BusinessDictionary.com. 2008. www.businessdictionary.com/definition/learning-organization.html
[h]   Knowledge Connections. 2008. www.skyrme.com/index.htm

and continually devising and developing the means to draw learning from its own (and others') experience.[42] A learning organization needs to do so to understand the challenges it faces, recognize opportunities, and maintain a competitive edge. There are five critical elements to the definition:

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[42]   In development assistance, lessons are of two types: operational and developmental. *Learning Lessons in ADB* provides a typology of these. Irrespective, in the form of a scale, answers to four questions will provide increasing certainty that an organization has learned from experience: What changes have taken place in the area of practice examined? Which of these is most important? Why is the change selected important, and what difference has it made? What difference has the change made to the way the organization (or its partners) works?

(i)   A learning organization learns consciously; it introduces a necessary level of intent and commitment to the process of learning.

(ii) A learning organization learns continually, not just consciously.

(iii) A learning organization highlights experience as a source of learning; it emphasizes the means and ability to exploit its track record, using field operations as a primary source of learning, while drawing from elsewhere.

(iv) A learning organization improves practice; the litmus test for whether learning has, in fact, occurred lies in the extent to which its practice has actually improved.

(v)   A learning organization is built around people—their know-what, know-how, and know-why are central to the undertaking.

Therefore, in learning organizations, conscious, continuous, experiential, and effective learning is centered on human interaction and community building, and requires a balance among planning, acting, reflecting, and learning. Learning improves planning and acting, which in turn generates opportunities for deeper reflection and further learning. Sustaining organizational memory is a perpetual challenge—if possible, much action should be part of a plan, reflected upon and learned from, and the learning should be built into improved future plans. Other action emerges as the learning organization actively adapts to its changing environment. This latter form of emergent learning is rarely captured, but often the best source of lessons for an organization.

Roadblocks to Learning

Despite a growing agenda, organizational learning still has not generated a framework for action. Indeed, the gulf between the ideal type of a learning organization and the state of affairs in typical bilateral and multilateral development agencies remains huge. Observers reflect that the mental models borrowed from other contexts have proved less than relevant—at times even inappropriate—for aid agencies, and that development work lacks the clarity, coherence, and consensus needed to achieve shared vision. From there, referring again to Senge, it has been difficult to develop personal and team-based mastery, and simultaneously to develop systems thinking that integrates the other four disciplines. Before proposing what organizational learning in an aid agency such as ADB might look like and how stronger foundations for it might be built, it is worthwhile to recognize organizational barriers to learning. Defining roadblocks, however numerous they may be, is half the battle to removing them—it might make them part of the solution instead of part of the problem. In the context of nongovernment organizations (although the obstacles and resistances mentioned will find resonance elsewhere), Liz Goold[43] labeled them as (i) the bias for action, (ii) undiscussables, (iii) commitment to the cause, (iv) advocacy at the expense of inquiry, (v) cultural bias, (vi) practicing what is preached, (vii) the funding environment, (viii) thinking strategically about learning, (ix) the role of leadership, and (x) learning to unlearn. Alas, lots of other impediments swell the list, as shown in Figure 8:

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[43] Goold, L. 2006. *Working with Barriers to Organizational Learning*. Available: www.bond.org.uk/pubs/briefs/olbarriers.pdf. Other authors prefer to divide barriers to effective learning into two categories: internal and external. This reading of Goold suggests that most are in the former category.

Figure 8: Roadblocks to Learning

Penalties for Not Learning	The Role of Leadership	Learning to Unlearn	Exclusion
The Bias for Action	Organizational Structure	Cultural Bias	Complexity
	Undiscussables	False Images	The Funding Environment
Commitment to the Cause	Advocacy at the Expense of Inquiry	Thinking Strategically about Learning	
Knowledge Inaction		Practicing What is Preached	Multiplying Agendas

Source: Author.

(i) organizational structure, (ii) knowledge inaction, (iii) false images, (iv) (lack of) penalties for not learning, (v) multiplying agendas, (vi) exclusion, and (vii) complexity, to name a few.[44] Appendix 1 elaborates on what they are.

Dimensions of the Learning Organization

If organizational learning is still seeking a theory, there can be no (and perhaps cannot be) agreement on the dimensions of the learning organization. Even if the dimensions were understood, the connection between learning (or lack thereof) and performance remains unclear.[45] However, regardless of the disputed state of the art, a multilevel, practical but necessarily exploratory and simple framework of common and individual variables associated with learning and change follows. Here as elsewhere, experimentation has an important role to play. Individual and collective learning are not about finding out what others already know, even if that is a useful first stage—it is about solving problems[46] by doing, reflecting, connecting, and testing until a solution forms

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[44] The characteristics of work settings, hence the learning needs of each, depend on the level of interdependence of stakeholders and the complexity of related work tasks. Naturally, the difficulty of obstacles to organizational learning is also a function of work settings.

[45] Most organizations know little about where they lose knowledge, so the costs of lost knowledge are largely hidden. As a result, there is no clear ownership of the problem and little value is given to knowledge-sharing activities.

[46] Some streams of open systems theory reject problem solving as unproductive, instead preferring to work on desirable futures and necessary actions (only "solving problems" as they become barriers to a goal). The difference in the outlooks is significant.

part of organizational life. There is no stock answer nor is there a single best approach.[47] Figure 9 suggests concepts that can be used individually or in association to reflect on the overall system. Appendix 2 elaborates on what they are.

The purpose of science is not to analyze or describe but to make useful models of the world. A model is useful if it allows us to get use out of it.

—Edward de Bono

Figure 9: Dimensions of the Learning Organization
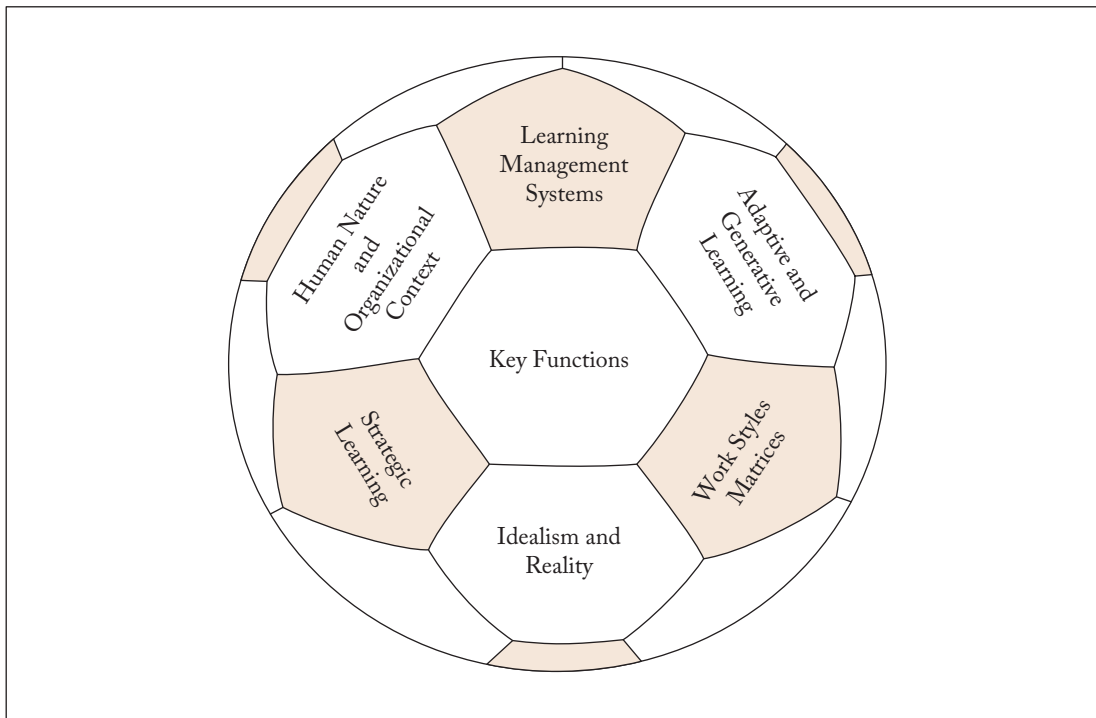
Source: Author.

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[47] A parallel can be found in the disparity of systems models for organizational design. Those used often in the last 20–30 years have included McKinsey's 7-S Model, Galbraith's Star Model, Weisbord's Six Box Model, Nadler and Tushman's Congruence Model, and Burke-Litwin's Causal Model. Each of these shines a particular light on an organizational system, in the way perhaps that astronomers standing on different planets would examine different configurations of the universe. No one perspective is correct. The choice of model depends also on how complex its user wishes it to be. In recent years, less inward-looking (closed system) models have been developed.

Building a Learning Organization

The Learning Organization Model

It is not the strongest of the species who survive, nor the most intelligent; rather it is those most responsive to change.

—Charles Darwin

For organizations wishing to remain relevant and thrive, learning better and faster is critically important. Many organizations apply quick and easy fixes often driven by technology. Most are futile attempts to create organizational change. However, organizational learning is neither possible nor sustainable without understanding what drives it. Figure 10 shows the subsystems of a learning organization: organization, people, knowledge, and technology. Each subsystem supports the others in magnifying the learning as it permeates across the system.

Organization

A learning organization values the role that learning can play in the development of organizational effectiveness. It demonstrates this by having an inspiring vision for learning and a learning strategy that will support the organization in achieving its vision.

The supreme accomplishment is to blur the line between work and play.

—Arnold Toynbee

The leadership of a learning organization is committed to the importance of learning and clearly communicates that learning is critical to organizational success. The leadership recognizes the importance of providing the motive, means, and opportunity for learning: (i) the motive being the "why?"—the purpose and reason for learning; (ii) the means being the "how and what?"—the models, methods, and competencies required; and (iii) the opportunity being the "where and when?"—the spaces for learning. Leaders take an exemplary leading role in creating and sustaining a supportive learning culture.

The structure of a learning organization takes into account the common obstacles to learning so it is carefully aligned with strategy, avoiding the development of "silos" (footnote 18) and minimizing unnecessary levels of hierarchy.

Communication systems are used to facilitate the lateral transfer of information and knowledge across formal structural boundaries. In decentralized and geographically spread organizations, particular care is taken to use communication to encourage lateral communication and to overcome

Figure 10: Building a Learning Organization
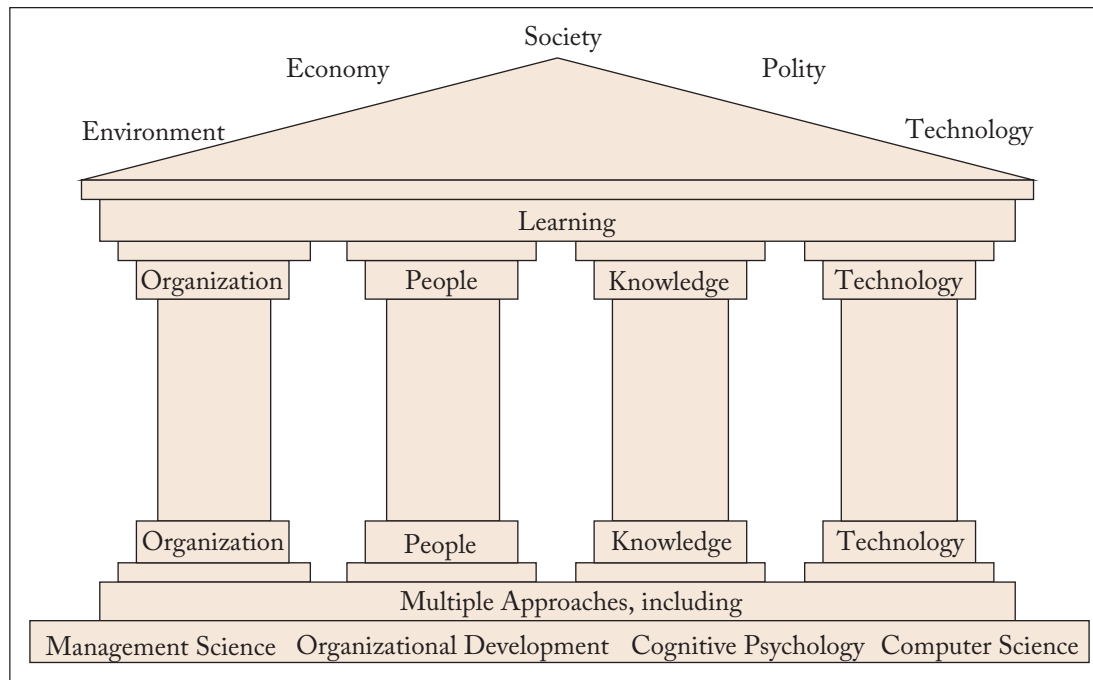
Source: Author.

the increased danger of the development of "silos".

Adequate resources are allocated for learning in terms of time, space, specialist support staff, and budgets for knowledge management and learning infrastructure, formal and informal communities of practice[48] and other value networks (both internal and external),[49] and learning and development programs. Support to communities of practice, for example, is extended in a structured manner throughout their life cycle.[50]

To stimulate creativity and generate new insights and innovative practices, a learning organization takes a balanced approach to the importance of both planned and emergent learning. Planned learning is addressed through the careful development of strategy, structure, systems, procedures, and plans. In a learning organization, planning is based on careful reflection through probing questions that draw on data and information from monitoring, review, and self- and independent evaluation.

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[48] Communities of practice emerge in the social space between project teams and knowledge networks. They are groups of like-minded, interacting people who filter, analyze, invest and provide, convene, build, and learn and facilitate to ensure more effective creation and sharing of knowledge in their domain. What they know, who they are, and what they do define them.

[49] A value network is any web of relationships that generates both tangible and intangible value through complex dynamic exchanges. Value networks include communities of practice, knowledge networks, and networks of practice. Their growing importance requires that organizations pay more attention to their forms and functions, evolve principles of engagement, circumscribe and promote success factors, and monitor and evaluate performance with knowledge performance metrics.

[50] There are five stages of community development: (i) potential, (ii) coalescing, (iii) maturing, (iv) stewardship, and (v) transformation.

Emergent learning is equally important but takes an inherently more speculative and opportunistic approach. It is dependent on encouraging a passion for learning and knowledge sharing among staff members, developing learning competencies, creating opportunities for informal sharing, and cultivating a supportive learning culture.

Failures and unintended outcomes are the focus of constructive discussions leading to new approaches. When such incidents involve clients, care is taken to protect their reputation.

People

I have no special talents. I am only passionately curious.

—Albert Einstein

A learning organization needs people who are intellectually curious about their work, who actively reflect on their experience, who develop experience-based theories of change and continuously test these in practice with colleagues, and who use their understanding and initiative to contribute to knowledge development. In short, it needs people who are reflective practitioners. Reflective practitioners understand their strengths and limitations and have a range of tools, methods, and approaches for knowledge management and learning, individually and in collaboration with others.

Reflective practice flourishes when people experience a high level of psychological safety and trust, and it is undermined when people feel exposed to unfair negative criticism and when they believe that they cannot rely on colleagues. Teamwork is, therefore, a vital ingredient of a genuine learning organization. Indeed, one characteristic of teams in learning organizations is that they operate as learning communities in which sensitively expressed dissent, conflict, and debate are encouraged as positive sources of learning.

Developing the safety and trust upon which reflective practice and positive teamwork depend requires careful attention to relationship building and the management of individual and collective performance.

To grow and protect the investment made in staff members, a learning organization pays careful attention to developing and retaining its people. Closely linked to development and retention of staff members are the importance of recognition and incentives for learning. Learning organizations ensure that time and effort spent on effective knowledge management and learning are recognized as core activities in the organization's time and performance management systems. Rewards for contributing to learning and knowledge development can be more conventional (e.g., career advancement, increased income, and greater formal status) or may be less conventional (e.g., informal peer status, time made available for study, or public acknowledgement for an innovative contribution made).

Learning organizations also provide a wide range of opportunities for individual and collective learning and development. Learning and development programs are available to ensure that individuals and teams develop the competencies of reflective practice and collaborative learning. While learning and development systems may focus on more formal programs, a learning organization is one where the maximum benefit is also leveraged from other learning opportunities such as day-to-day work experiences, team meetings, short-term secondments, and membership of task groups.

In a learning organization, an important source of individual learning and development is coaching and mentoring support from managers, specialists, and other experienced colleagues. High-quality coaching and mentoring can help reflective practice flourish. However, both involve skills that cannot be taken for granted and must be consciously developed in the organization. It cannot be assumed that good contract managers and technical specialists automatically make good coaches and mentors.

Box 2: Knowledge Solutions[a]

Strategy Development	**Knowledge Solutions**	**Management Techniques**
Social Network Analysis The Most Significant Change Technique Culture Theory Outcome Mapping The Sustainable Livelihoods Approach Auditing Knowledge Reading the Future Creating and Running Partnerships Linking Research to Practice		Conducting Effective Meetings The SCAMPER Technique The Five Whys Technique Picking Investments in Knowledge Management The Reframing Matrix Notions of Knowledge Management Focusing on Project Metrics Managing Knowledge Workers Output Accomplishment and the Design and Monitoring Framework
Collaboration Mechanisms	**Knowledge Sharing and Learning**	**Knowledge Capture and Storage**
Working in Teams Appreciative Inquiry Action Learning Sets Building Communities of Practice	Building Networks of Practice Conducting Effective Presentations Conducting Successful Retreats Identifying and Sharing Good Practices Storytelling Posting Research Online Using Plain English Conducting After-Action Reviews and Retrospects Conducting Peer Assists	Writing Weblogs Staff Profile Pages Assessing the Effectiveness of Assistance in Capacity Development Monthly Progress Notes Exit Interviews

[a] Tools, methods, and approaches available as of March 2009.
Source: Asian Development Bank (ADB). 2008–. *Knowledge Solutions*. Manila: ADB. Available: www.adb.org/knowledgesolutions/default.asp

Learning organizations require and encourage the development of leadership competencies at all levels in the organizational hierarchy, not just at the top. Leadership is viewed as a valuable skill that is based on the possession of expertise and knowledge, not simply positional status.

Knowledge

Knowledge is a critical asset in every learning organization. Because learning is both a product of knowledge and its source, a learning organization recognizes that the two are inextricably linked and manages them accordingly.

Knowledge is the true organ of sight, not the eyes.

—The Panchatantra

The units of knowledge production are both the individual and the collective. Learning organizations understand that while knowledge is created in the minds of individuals,

knowledge development thrives in a rich web of social contact among individuals, groups, and organizations. A learning organization provides creative opportunities for this knowledge to be developed and shared with others through interpersonal contact and access to documentation.

An organization's main repositories of knowledge are the design and delivery of its products and services and the strategies, systems, and procedures it has developed to guide its decision making. Learning organizations know how best to take a learning approach to the development of this embedded knowledge by putting in place the necessary systems and infrastructure for knowledge management.[51]

Feedback is the dynamic process of presenting and disseminating information to improve performance. Feedback mechanisms are increasingly being recognized as key elements of learning. Key (and often underutilized) sources of knowledge in organizations are the data and information that emerge from monitoring systems and the analyses, conclusions, and recommendations that arise from self- and independent evaluations. Learning organizations have sophisticated ways of designing evaluations with learning (as well as accountability) in mind. Methods

such as after-action reviews and retrospects[52] are successfully adopted and generate lessons that are carefully targeted at specific audiences. Learning organizations have systems that ensure that the outputs of self- and independent evaluations are made widely available, used to question orthodox thinking, and trigger creativity and innovation. Most significant changes are collected, systematically selected, and interpreted.[53] Peer assists,[54] drawing on individuals' expertise and documented lessons learned, are used in planning new initiatives to reduce the likelihood of repeated unintended negative outcomes. Action learning is used to tackle more intractable challenges.[55]

A learning organization recognizes the importance of a resilient organizational memory. Learning organizations ensure that individuals and teams are encouraged to use a range of ways of surfacing their tacit knowledge and making it available to others through carefully targeted documentation and collaborative working practices. Recognizing that organizations change in the direction in which they inquire, they leverage the powers of appreciative inquiry.[56] Documentation is made accessible to others in the organization with a range of user-friendly information and communication technologies.

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[51] See, for example, ADB. 2008–. *Knowledge Showcase*. Manila: ADB. Available: www.adb.org/knowledgeshowcase/default.asp

[52] Organizational learning calls for nonstop assessment of performance—its successes and failures. This ensures that learning takes place and supports continuous improvement. After-action reviews and retrospects are tools that facilitate assessments by bringing together a team to discuss an activity or project openly and honestly.

[53] The most significant change technique helps monitor and evaluate the performance of projects and programs. It involves the collection and systematic participatory interpretation of stories of significant change emanating from the field—stories about who did what, when, and why, and the reasons the event was important. It does not employ quantitative indicators.

[54] Peer assists are events that bring individuals together to share their experiences, insights, and knowledge on an identified challenge or problem. They also promote collective learning and develop networks among those invited.

[55] Action learning is a structured method that enables small groups to work regularly and collectively on complicated problems, take action, and learn as individuals and as a team while doing so.

[56] Appreciative inquiry is the process of facilitating positive change in organizations. Its basic assumption is uncomplicated: every organization has something that works well. Appreciative inquiry is therefore an exciting generative approach to organizational development. At a higher level, it is also a way of being and seeing.

Learning organizations are networked with the wider world. They know how to create and run partnerships.[57] Collaborative mutual learning arrangements with other organizations are common and fruitful.

Technology

Learning organizations know how to harness the power of information and communication technologies—without these technologies constraining knowledge management and learning. In a learning organization, information and communication technologies are used, among other purposes, to strengthen organizational identity; build and sustain learning communities; keep staff members, clients, and others informed and aware of corporate developments; create unexpected, helpful connections between people and provide access to their knowledge and ideas; encourage innovation and creativity; share and learn from good practices[58] and unintended outcomes; strengthen relationships; develop and access organizational memory; share tools, methods, and approaches; celebrate successes; identify internal sources of expertise; and connect with the outside world.

The creative use of information and communication technologies such as shared document drives, intranet pages, online communities and networks, wikis and other collaborative work spaces, blogging and online storytelling,[59] staff profile pages,[60] online webinars, podcasts, and social network analysis[61] indicates that an organization takes learning seriously.

This is perhaps the most beautiful time in human history; it is really pregnant with all kinds of creative possibilities made possible by science and technology which now constitute the slave of man—if man is not enslaved by it.

—Jonas Salk

Finally, in a learning organization, sufficient opportunities are provided for staff members to learn how to make use of available information and communication technologies for knowledge management and learning.

Overcoming Challenges to Learning for Change in ADB

In 2009, thanks to staff interviews, an interactive workshop on learning for change at ADB, and examination of key ADB documents, challenges to knowledge management and learning were identified. The 10 challenges are

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[57] In development work as elsewhere, partnerships have a crucial role to play. To reach the critical mass required to reduce poverty, there must be more concerted effort, greater collaboration, alignment of inputs, and a leveraging of resources and effort. Understanding the drivers of success and the drivers of failure helps efforts to create and run them.

[58] Good practice is a process or methodology that has been shown to be effective in one part of the organization and might be effective in another.

[59] Storytelling is the use of stories or narratives as a communication tool to value, share, and capitalize on the knowledge of individuals.

[60] Staff profile pages are dynamic, adaptive electronic directories that store information about the knowledge, skills, experience, and interests of people. They are a cornerstone of successful knowledge management and learning initiatives.

[61] Power no longer resides exclusively (if at all) in states, institutions, or large corporations. It is located in the networks that structure society. Social network analysis seeks to understand networks and their participants and has two main focuses—the actors and their relationships in a specific social context.

- **Responding to donors' agendas on knowledge management and learning.** ADB is not immune from increasing donor expectations that development organizations should work smartly as well as hard.
- **Delivering on Strategy 2020's commitment to provide knowledge solutions to clients.** Strategy 2020 identifies knowledge solutions as one of five drivers for change, but is some way from translating this laudable intention into practice.
- **Ensuring leadership support and encouragement for knowledge management and learning.** For staff members to prioritize time on knowledge management and learning-related activities, they need to be receiving clear, supportive messages from their managers concerning the value placed by the organization on knowledge development and dissemination.
- **Overcoming organizational "silos".** ADB is a large and complex organization. Its structure does not encourage the lateral communication that enables and encourages knowledge management and learning. This means that particular attention needs to be placed on overcoming structural obstacles that can lead to a "silo" mind-set.
- **Mobilizing knowledge from inside and outside ADB.** Knowledge moves around, and in and out of, an organization. Staff members need to appreciate knowledge flows better, recognize that knowledge assets are found or can be cultivated both inside and outside ADB, and leverage these to solve local development

Plans are only good intentions unless they immediately degenerate into hard work.

—Peter Drucker

problems in time in forms and ways that satisfy client needs.
- **Strengthening links among the knowledge services of ADB, including economic and sector work, research, learning and development, and the marketing of publications.** While there are examples of progress being made, ADB would benefit from a more integrated system.
- **Positioning and resourcing knowledge management and learning as a crosscutting issue.** The best location for the knowledge management center should be considered, given the crosscutting nature of the knowledge management function. Supporting knowledge management and organizational learning across ADB will also require increased resourcing of the function.
- **Creating incentives for staff involvement in knowledge management and learning.** ADB's performance management system was commonly identified as a reason staff members do not commit the time they wish to knowledge development and learning. Until the issue of incentives is addressed, this is likely to remain a significant obstacle to ADB making real progress.
- **Building understanding of and capacity for knowledge management and learning—from day one.** Although knowledge management has been on ADB's agenda for some years, across the organization, there is a limited understanding of what it means and why it is important. On overcoming challenges to learning for change in ADB, a senior staff member explained, "Knowledge management is about whether we are a learning organization—whether we repeat mistakes or learn from them." The development of this understanding should begin as soon as a staff member joins ADB.

- **Maximizing learning from evaluation.** Evaluations are often the most underused source of learning in an organization. ADB has taken some interesting initiatives to leverage greater learning from its evaluations, but the balance between accountability and learning would benefit from an increased focus on the potential for learning.

Figure 11 identifies the 10 challenges that ADB must overcome to develop as a learning organization and specifies practicable next steps to conquer each. As ADB takes on these with individual, group, intraorganizational, and interorganizational inputs, it will need to monitor and evaluate progress. Again, the learning organization model offers ready entry points. Appendix 3 offers a structured questionnaire with which to gauge perceptions of competencies to learn for change in ADB.

Managing Critical Success Factors

Continuous Learning, People, and Clients

A close examination of Figure 11 reveals how extensively three pervasive conditions influence an organization's ability to learn. They require that the organization understand that learning is a continuing process, develop people, and listen to clients. Table 1 lays out the vision necessary to meet each condition and underscores the critical success factors that might be monitored as related inputs are allocated in the organization.

Table 1: The Structure of Learning Organization Conditions

Learning Organization Condition	Vision	Critical Success Factors
Understand that learning is a continuous process	Continuous learning is essential for an organization to remain in existence. Therefore, the more continuous learning takes place, the more the environment becomes complex. The more learning that takes place, the more mistakes and successes are generated, which are in turn learned from. The continuous learning process never reaches a conclusion; however, measurements are constantly taken to find out if improvements have been made. These improvements define the gaps that do or do not exist, which influence the current strategy (for the entire organization or a current project). These perceived gaps (either positive or negative) are communicated to qualified individuals and act as a feedback mechanism. Once feedback has been obtained and the strategy communicated, the human resources gaps can be singled out (learning and development).	• A culture that encourages errors to be openly discussed • Acknowledgment of change • Small trial-and-error experiments that have been conducted in an attempt to move the process forward, e.g., models built, role-playing undertaken • A way to measure the current process • Defining gaps between the current state and the desired state • The communication of perceived gaps • The allocation of resources to carry out the process

Figure 11: Overcoming Challen

Establishing regular coordination meetings
involving knowledge management specialists

Collaborating on publications

Coordinating research agendas

Strengthen links among the
knowledge services of ADB

Time allocation to individuals for
reflection and knowledge development

Development of knowledge hubs

Support to formal and informal
communities of practice

Learning and development programs

Appointment of specialist professionals

Positioning the knowledge management center to
emphasize the importance of
knowledge management and learning

Increasing resources for knowledge management and learning

Investing in knowledge management and learning-related
learning and development programs

Position and resource
knowledge management and
learning as a crosscutting issue

Acknowledging contributions to
knowledge management and learning

Recognizing learning and knowledge development as core activities
in the time- and performance-management systems

Providing time and performance recognition for people who serve as
coaches and resource persons and shoulder responsibilities in
communities of practice

Create incentives for staff
involvement in knowledge
management and learning

Making effective use of exit interviews to strengthen organizational memory

Enhancing the professional development curricula for key areas of competence

Ensuring that the staff induction program introduces ADB's approach to
knowledge management and learning

Achieving professional accreditation for learning and development programs

Introducing concepts of knowledge management and learning into existing
learning and development programs

Build understanding of and
capacity for knowledge
management and learning

Diversifying the range of the information and
communication technologies used

Developing the use of online collaborative spaces
for teams, projects, and communities of practice

Providing learning and development opportunities
to encourage creative use of information and
communication technologies

Information and
communication technologies

Developing competencies in reflective practice

Developing storytelling competencies

Enabling use of tools, methods, and approaches for
knowledge management and learning

Strengthening team working competencies

People

Overcoming
Challenges to
Learning for
Change in ADB

Project planning

Strengthening the use of project completion and
technical assistance completion reports for
knowledge management and learning

Making more creative use of questioning at concept
development stage

Incorporating requirements for regular reflection in
project planning

Encouraging the use of peer assists

Maximize learning from
evaluation

Making effective use of meta-evaluations

Developing and using indicators for monitoring and evaluating
knowledge management and learning

Emphasizing learning from achievements

Making greater use of after-action reviews and retrospects

Allowing adequate time for identifying lessons from monitoring
and evaluation

Maximizing the use of evaluation reports by targeting specific
issues to specific audiences

ges to Learning for Change in ADB

Respond to donors' agendas on knowledge management and learning

- Creating a vision of knowledge management and learning that emphasizes their critical importance to development effectiveness
- Raising the profile of knowledge management and learning
  - Contributing to workshops and seminars
  - Developing a learning charter for ADB
  - Targeting publishing and dissemination

Deliver on Strategy 2020's commitment to provide knowledge solutions to clients

- Aligning knowledge management and learning with Strategy 2020
- Prioritizing learning and development programs related to Strategy 2020 and its drivers of change
- Surveying ADB clients' knowledge requirements

Ensure leadership support and encouragement for knowledge management and learning

- Organizational culture
  - Building psychological safety and trust
  - Building an organizational culture that clearly values work quality as well as quantity
  - Enabling members of diverse groups to better understand each others' professional mind-sets
  - Sharing and rewarding learning from successes and unexpected outcomes
  - Developing recognition that everyone in ADB is a knowledge worker
  - Articulating the learning behaviors that ADB values in its staff
- Leadership competencies
  - Developing coaching and mentoring skills
  - Strengthening expertise in leading learning

Overcome organizational "silos"

- Using creative information and communication technologies to improve lateral communications across formal structures
- Making greater use of teams with diverse professional memberships
- Developing thematic communities
- Making greater use of workshops and seminars
- Developing and using staff profile pages

Mobilize knowledge from inside and outside ADB

- Inside ADB
  - Developing a tool kit for running communities of practice
  - Devising learning and development programs for communities of practice
  - Strengthening communities of practice by providing regular opportunities for face-to-face meetings
  - Supporting the development of informal communities of practice
  - Ensuring that staff profile pages are kept up-to-date
  - Monitoring the use of publications and multimedia
  - Carefully targeting publications and multimedia to specific audiences at the planning stage
- Outside ADB
  - Developing the knowledge hub concept
  - Valuing clients as sources of knowledge and partners in learning
  - Opening membership of communities of practice to others

Table 1: continued

Learning Organization Condition	Vision	Critical Success Factors
Develop people	People development can occur where individuals are viewed to be working in conditions that allow them to question business processes so that they can become more active in developing these processes. This questioning allows creative tension to form, which can provide a vision to work toward. The continuous outcome relates to enriching all individuals within the organization, while providing a means for the organization to continue to operate.	• Management welcomes the questioning of current business systems • The demonstration of questioning business processes, which allows creative tension to form • The outcome of questions on business processes allows individuals to influence and be involved in developing the process • Resources are made available that individuals can use, e.g., space, time, funding • An inquiry and reflection process that can provide the same principles that an apprenticeship is viewed to have • Individuals create shared visions • The development of mental models
Listen to clients	Listening to clients allows a model of the current environment to be built that is operating outside of the organization. Through listening to clients, learning can be achieved through the solution of problems. Once client problems have been solved, this is not the end of the process, as the learning that has been developed must be placed back into the organization. The organization is open to client contact so clients find it easy to contact the organization to discuss any current problems or concerns.	• A process that allows organizations to obtain knowledge about their clients • Incentives for responsiveness to clients • Allowing clients easy access in contacting the organization • Solving client problems • The communication of solved problems is placed back into the organization to other individuals • The problems recognized are used to test the current business environment

Source: Abridged and adapted from Small, A., and P. Irvine. 2006. Towards a Framework for Organizational Learning. *The Learning Organization.* 13 (3). pp. 276–299.

Learning Leaders

An organization may be a reflection of its leaders, but this does not absolve employees from developing leadership capabilities more broadly. Senge asks:

Why do we cling to the view that only the top can initiate significant change? Is it just our unwillingness to give up a familiar mental model? Is it the fear of stepping out of line without the imprimatur of the hierarchy? Perhaps, also, there is

an element of self-protection—the comfort of being able to hold someone else, namely, top management, responsible for the lack of effective leadership.[62]

Leadership and learning are indispensable to each other.

—**John F. Kennedy**

Being a learning leader is an attribute, not a title. Learning leaders are active leaders of change. They use their experience and that of others to promote collaborative learning and help their organization meet the demands of a complex work environment. They are people who understand the importance and utility of being a fast and effective learner. They are tuned into the reasons for change (i.e., the problem, issue, or opportunity that is meaningful to them and on which they need to focus and reflect); the conditions for change (i.e., those that generate effective learning, such as a productive climate and emotional intelligence); and the tools for change (i.e., the tools, methods, and approaches used to activate the learning process, such as understanding different learning styles, releasing their own creativity, and the task at hand). With the help of coaches and mentors, as necessary, all staff members should aim to become learning leaders who

- **Create a need for change.** To what extent do the people who are essential to the success of the change feel a need for change that exceeds their possible resistance to it?
- **Lead change.** To what extent does the change have a champion, sponsor, or other leader who will support it?
- **Shape a vision.** To what extent are the desired outcomes for change known? Whose vision is driving the effort?
- **Mobilize commitment.** To what extent are key stakeholders committed to the change outcomes? Why are they (not) committed?
- **Change systems and structures.** To what extent is the change institutionalized through systems and structures?
- **Monitor progress.** To what extent are indicators in place to monitor the progress of the change effort?
- **Make change last**. To what extent is there an action plan for making change last? What aspects of systems and structures will sustain the change outcomes in the future? What are the risks of the change outcomes not lasting? What can be done to offset these?

Human Resources Management for Learning
Celebrating Accomplishments

Since work takes up so much of one's life, it is helpful to investigate perceptions of what makes it worthwhile. There are seven basic psychological requirements for effective work: (i) elbow room, (ii) variety, (iii) feedback, (iv) learning, (v) support and respect, (vi) meaningfulness, and (vii) a sense of a desirable future.[63] To not lose sight of what it is to be human, a job must produce feelings of pride and success. Yet it is disappointing to observe how few organizations explain their ultimate purpose and celebrate the accomplishments of their staff members in ways that calibrate means to ends to affirm identity, give meaning, benchmark quality, and as-

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[62] Senge, P. 1996. Leading Learning Organizations: The Bold, the Powerful, and the Invisible. In *The Leader of the Future* edited by Hesselbein, F. M. Goldsmith, and R. Beckhard. San Francisco: Jossey-Bass.

[63] Emery, F., ed. 1981. *Systems Thinking*. London: Penguin.

sign value. Measures, targets, rewards, incentives—even learning and development—are a waste of time if people do not see the point. How will they respond then? They will likely "game" the system and drag their feet.[64]

From Training to Learning[65]

Traditional training programs have long emphasized and supported professional growth through skills and competencies enhancement.[66] However, learning in the workplace is shifting from formalized, short-term instruction by an expert to informal, strategically focused learning facilitation by stakeholders and employees. To become dynamic, actively learning, knowledge-enabled organizations, development agencies such as ADB would benefit if, in parallel with existing approaches, (more) programs were developed that create a sense of purpose and positive climate for learning at individual, group, and organizational levels[67] and that build learning capabilities at these levels. Table 2 shows how new-age learning and development programs encourage organization-centered, mission-integrated, productivity-focused, and results-oriented approaches that link interventions to an organization's strategic goal and objectives.

Table 2: From Training to Learning

From Training	To Learning
• Focused on short term	• Focused on lifelong learning and development
• Skill-based	• Based on core competencies
• Driven by individual requests	• Driven by corporate strategy
• Concentrates on managers	• Concentrates on all employees
• Assessment is conducted by human resources divisions and/or managers	• Assessment is conducted by beneficiaries
• Training takes place off-site	• Learning takes place anywhere
• Training is scheduled periodically	• Learning takes place in real time
• Training is based on knowledge delivery	• Learning is based on creating new meaning about shared experiences
• Instructor-driven; designed by training specialists	• Self-directed
• Generalized; based on prescriptions	• Specific; determined by trainees
• Trainers deliver; trainer-centered	• Facilitated jointly; learner-centered

Source: American Society for Training and Development. 1994. The Future of Workplace Learning. *Training and Development*. 72 (5). pp. 36–47.

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[64] Foot-dragging—agreeing to do something, then doing it slowly, badly, or not at all—is a tested form of resistance. It requires no organized movement and entails few costs (at least on the side of the perpetrator). Most importantly, it does not involve explicitly rejecting authority. Therefore, the risk of confrontation or punishment is small. Usually, the worst that may happen is that one will be forced to do as one was told in the first place.

[65] Traditional training is characterized as an instructor-led, content-based intervention leading to desired changes in behavior. Learning is a self-directed, work-based process leading to increased adaptive capacity.

[66] For example, the learning tracks in ADB relate to leadership, managing for development results, project design and management, project team leadership and membership, and financial management.

[67] In support of the first condition, managers would be predominantly responsible for generating commitment among staff. In respect of the second, managers and human resource divisions would be mainly responsible for providing staff with a supportive learning environment, giving them the opportunity to act on their commitment, and translating commitment into productive value for the organization.

They embrace systems theory and encourage strategic thinking. They emphasize comprehensive, systematic, and sequential performance improvement models. Ultimately, they improve staff credibility as knowledge workers.

Managing Talent Turnover

The direct and indirect costs of talent departure are among the most underestimated and undervalued costs in an organization. Except for direct expenditure on recruiting, selecting, and training, talent departure is not usually reported to management—which is left unaware of the true costs—nor are they communicated to the organization. Figure 12 shows the cost categories associated with employee turnover; with some attention, many could be estimated. There is, of course, a healthy turnover of employees in any organization: people retire, leave to work elsewhere, or go back to school. Yet management should be concerned if the rate is high, or when top performers and critical employees leave unexpectedly—especially when the organization has no ready pool of talent to resource itself from and gaps open. Tools exist to diagnose turnover problems and to match knowledge solutions to needs; they include demographic analyses, focus groups, probing interviews, job satisfaction surveys, organizational engagement surveys, exit interviews,[68] exit surveys, brainstorming, cause-and-effect diagrams, force-field analyses, mind mapping, and affinity diagrams. To curtail depletion of knowledge, learning organizations make it a habit of using these. Moreover, any tool must be followed up with actions led by staff members and management.
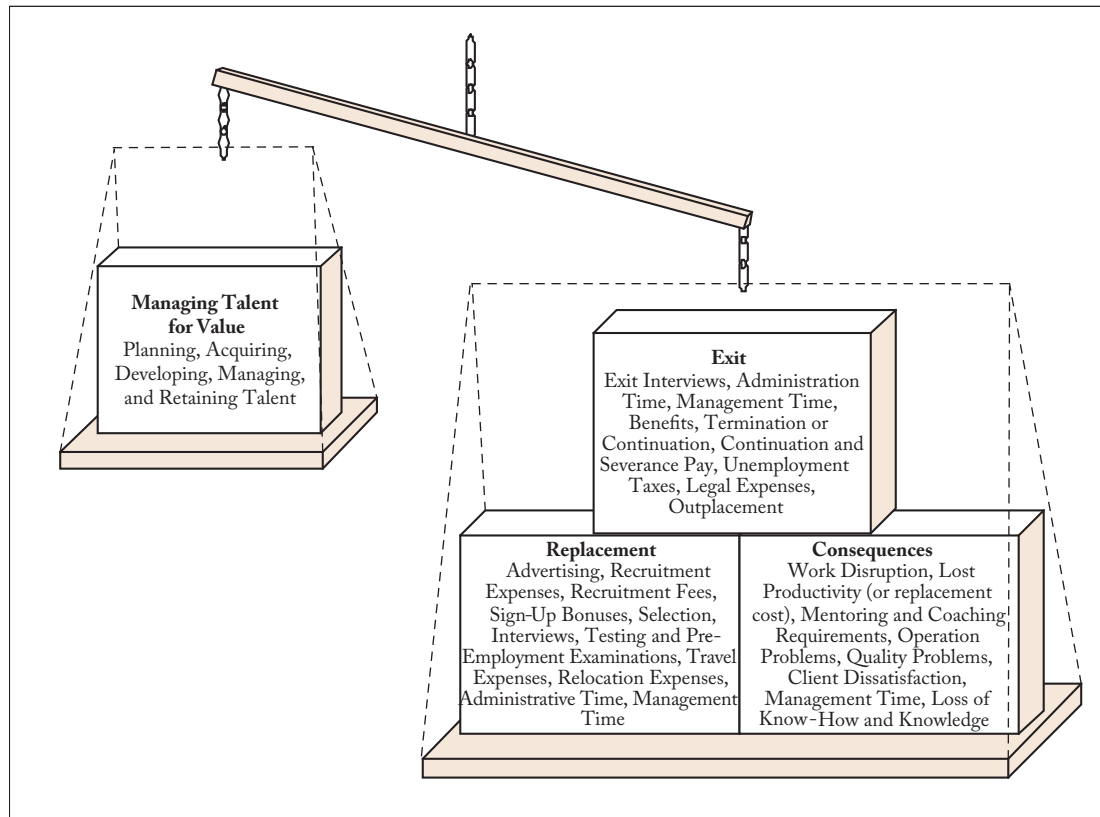
Creativity
Leveraging Enterprise

The key question isn't "What fosters creativity?" but it is why in God's name isn't everyone creative? Where was the human potential lost? How was it crippled? I think therefore a good question might be not why do people create? But why do people not create or innovate? We have got to abandon that sense of amazement in the face of creativity, as if it were a miracle if anybody created anything.

—Abraham Maslow

Innovation is the single most important ingredient in any economy. It is the process of creation, exchange, evolution, and application of knowledge to produce new goods, services, or social arrangements to benefit a community, market, or society. It undoubtedly has a major role to play in development work. Yet one persistent question remains: How much of innovation is inspiration and how much of it is hard work? If the primary source of innovation is inspiration, then the role of management can only be limited to hiring the right people (and keeping out of their way). If innovation is largely the result of hard work, there is much that decision makers can accomplish to make an organization as entrepreneurial as possible at any stage. Presciently, Peter Drucker identified seven sources of innovation: (i) unexpected occurrences, (ii) incongruities of various kinds, (iii) process needs, (iv) changes in an industry or market, (v) demographic changes, (vi) changes in perceptions, and (vii) new knowledge.[69]

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[68] Exit interviews provide feedback on why employees leave, what they liked about their job, and where the organization needs improvement. They are most effective when data are compiled and tracked over time. The concept has been revisited as a tool to capture knowledge from leavers. Exit interviews can be a win–win situation: the organization retains a portion of the leaver's knowledge and shares it; the departing employee articulates unique contributions, leaving a mark.

[69] Drucker, P. 1985. *Innovation and Entrepreneurship*. New York: HarperCollins.
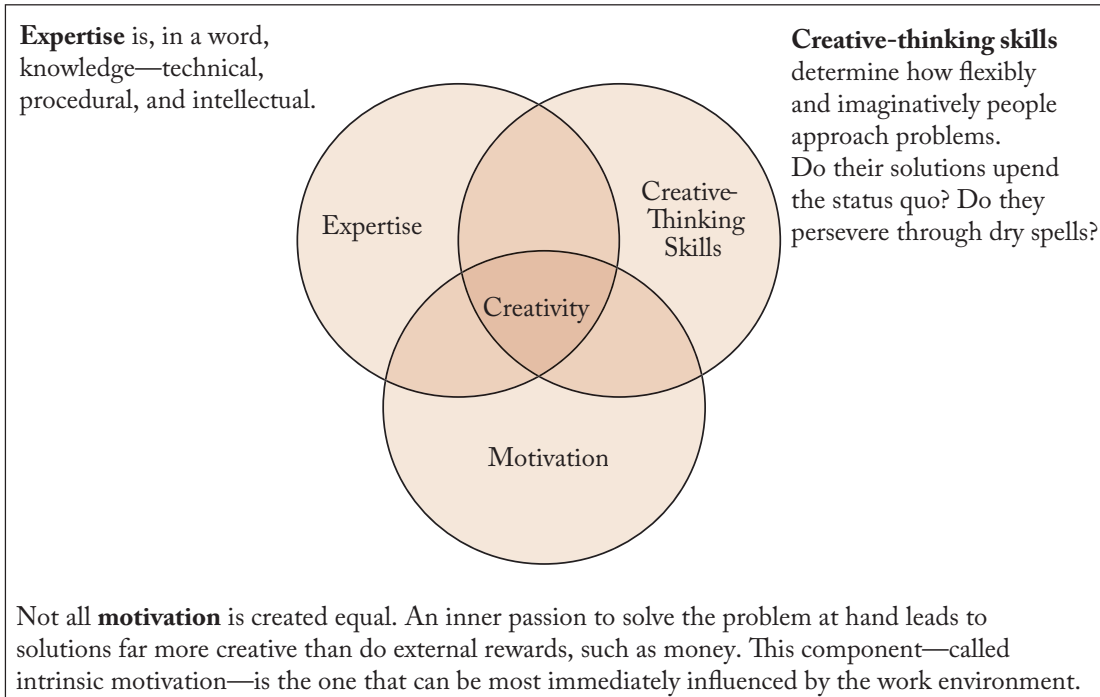
Figure 12: Employee Turnover Cost Categories

Managing Talent for Value
Planning, Acquiring, Developing, Managing, and Retaining Talent

Exit
Exit Interviews, Administration Time, Management Time, Benefits, Termination or Continuation, Continuation and Severance Pay, Unemployment Taxes, Legal Expenses, Outplacement

Replacement
Advertising, Recruitment Expenses, Recruitment Fees, Sign-Up Bonuses, Selection, Interviews, Testing and Pre-Employment Examinations, Travel Expenses, Relocation Expenses, Administrative Time, Management Time

Consequences
Work Disruption, Lost Productivity (or replacement cost), Mentoring and Coaching Requirements, Operation Problems, Quality Problems, Client Dissatisfaction, Management Time, Loss of Know-How and Knowledge

Source: Developed from Elkeles, T., and J. Phillips. 2007. *The Chief Learning Officer: Driving Value Within a Changing Organization through Learning and Development*. London: Elsevier.

(These seven sources overlap, and the potential for innovation may lay in more than one area at a time.) He explained that purposeful, systematic innovation begins with the analysis of the sources of new opportunities. However, he emphasized that in seeking opportunities, innovative organizations need to look for simple, focused solutions to real problems. That takes diligence, persistence, ingenuity, and knowledge.

Creativity in knowledge products and services is now more important than ever. It is needed equally in the established enterprise, the public service organization, and the new venture. Why is it then that many organizations unwittingly carry out managerial practices that destroy it? With exceptions, most managers do not stifle creativity on purpose. Yet, in the pursuit of productivity, efficiency, and control, they undermine it. Figure 13 shows that creative-thinking skills are one part of creativity but that expertise and motivation are also essential. Managers can influence the first two, but doing so is costly and time-consuming. They can make a more effective difference by increasing the intrinsic motivation of staff members. To manage for creativity and keep clients satisfied, they have five levers at their disposal: (i) the amount of challenge they give to staff members to stimulate their minds, (ii) the degree of freedom they grant around business processes to minimize hassle, (iii) the way they design work groups, (iv) the level of encouragement they give, which should include rewards and recognition, and (v) the nature of organizational support. Needless to say, managers must themselves be motivated, and selecting staff members who are highly motivated helps, too.

Figure 13: The Three Components of Creativity

Expertise is, in a word, knowledge—technical, procedural, and intellectual.

Creative-thinking skills determine how flexibly and imaginatively people approach problems. Do their solutions upend the status quo? Do they persevere through dry spells?

Expertise

Creative-Thinking Skills

Creativity

Motivation

Not all **motivation** is created equal. An inner passion to solve the problem at hand leads to solutions far more creative than do external rewards, such as money. This component—called intrinsic motivation—is the one that can be most immediately influenced by the work environment.

Source: Amabile, T. 1998. How to Kill Creativity. *Harvard Business Review*. September–October. pp. 76–87.

Opening Doors to Innovation

If you want to make an apple pie from scratch, you must first create the universe.

—Carl Sagan

Before World War II, closed innovation was the operating paradigm for most companies. Innovating enterprises kept their discoveries secret and made no attempt to assimilate information from outside their own research and development laboratories. In recent years, the world has seen major advances in technology and organization assisting the diffusion of information. Not least of these are electronic communication systems, including the internet. Today, data and information can be transferred so swiftly that it seems impossible to prevent them from doing so (should one want to). Since firms cannot stop this phenomenon, they must learn to take advantage of it. Table 3 underscores that open innovation requires mind-sets and organizational cultures different from those of traditional (closed) innovation.

Organizational Design

An organization is a collection of ordinarily nice people doing terrible things to one another with good intentions.

—Fred Emery

Most organizations in operation today were not designed; they evolved according to certain rules.[70] Throughout the 20th century, individual businesses were independent and

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[70] Mintzberg's configuration of organizations is especially relevant to organizational design.

Table 3: Closed and Open Innovation

Closed Innovation Principles	Open Innovation Principles
• The smart people in our field work for us.	• Not all the smart people work for us. We need to work with smart people inside and outside our company.
• To profit from research and development, we must discover it, develop it, and ship it ourselves.	• External research and development can create significant value; internal research and development is needed to claim some portion of that value.
• If we discover it ourselves, we will get it to market first.	• We do not have to originate the research to profit from it.
• The company that gets an innovation to market first will win.	• Building a better business model is better than getting to market first.
• If we create the most and the best ideas in the industry, we will win.	• If we make the best use of internal and external ideas, we will win.
• We should control our innovation process, so that our competitors do not profit from our ideas.	• We should profit from others' use of our innovation process, and we should buy others' intellectual property whenever it advances our own business model.

Source: Wikipedia. 2009. *Open Innovation*. Available: en.wikipedia.org/wiki/open_innovation

self-contained. However, in the digital age, large-scale collaboration across boundaries is the norm. Given the myriad of approaches to organizing roles and evaluating the performance of staff members tasked with executing these in miscellaneous organizational units, it is not remarkable that communication challenges and conflict frequently outpace complementary behavior. At best, managing the differences requires extensive and complex interactions to coordinate work across organizational boundaries. At worst, organizational boundaries have hardened into "silos", leaving staff members to behave selfishly. Carefully designed initiatives should increase productivity, improve quality, and make the organization a better place to work by increasing job satisfaction or staff engagement. These three elements are mutually reinforcing. Contemporary, state-of-the-art organizational design follows open-system principles:

- Culture and values drive organizational design and the processes that influence action and activities. (A decision to change culture and values would require a different approach.)

- Form follows function—an organization, like any entity, is designed to effectively deliver its purpose.

- Staff members experience and knowledge leads organizational design—the organizational design does not rely on working groups, yet staff members are engaged. Consultants only serve processes.

- People are responsible for the work that they (not their supervisors) perform—the design rejects dysfunctional bureaucratic principles.

- Organizational design is not just about changing the organization; rather, it is about the organization building an adaptive relationship with its environment and being future-oriented.

- Organizational design should be a safe process—staff members should feel secure, provided that they are willing to learn what the organization (meaning themselves) determines is needed.

- Even if many organizational design activities are bottom-up, management must support and buy in;

management must also negotiate implementation arrangements with staff members.

- A perfect organizational design need not be sought, provided that the organization can actively adapt or self-correct.
- Individual psychological requirements for work strengthen with an effective organizational design process.

The design process requires holistic thinking about the organization—its systems, structure, people, performance measures, business processes, and culture, and the way its products and services are contextualized in the external environment. In an effective design process, the results (quality, productivity, satisfaction) should be predictable while the design should not be—it should emerge through intense deliberation. A most difficult requirement for effective design is that management should trust that staff members know their jobs and can recommend smart work arrangements.

Learning from Evaluation

Redirecting Division-of-Labor Approaches

Give me a fruitful error any time, full of seeds, bursting with its own corrections. You can keep your sterile truth for yourself.

—**Vilfredo Pareto**

Because the range of types (not to mention levels) of learning is broad, organizations have, from the early days, followed a division-of-labor approach to ascribing responsibility for learning. Typically, responsibility is vested in a policy (or research) unit to allow managers to focus on decision making while other organizational constituents generate information and execute plans. Without doubt, this has encouraged compartmentalization of whatever learning is generated. What is more, since organizational constituents operate in different cultures to meet different priorities, each questions the value added by the arrangement. Table 4 redirects traditional approaches to evaluation by recognizing, with reference to nongovernment organizations, that different groups of stakeholders have different learning needs, not all of which can be met by centralized evaluation agencies. Table 5 develops this argument further by making clear that even decentralized learning is itself prone to several types of failure.

Increasing Value Added from Independent Operations Evaluation

In many development agencies, independent evaluation contributes to decision making throughout the project cycle and in the agencies as a whole, covering all aspects of sovereign and sovereign-guaranteed operations (public sector operations); nonsovereign operations; and the policies, strategies, practices, and procedures that govern them. The changing scope of evaluations and fast-rising expectations in relation to their use are welcome. However, the broad spectrum of independent evaluation demands that evaluation units strengthen and monitor the results focus of their operations. This means that the relevance and usefulness of evaluation findings to core audiences should be enhanced. Recurrent requests are that evaluation units should improve the timeliness of their evaluations, strengthen the operational bearing of the findings, and increase access to and exchange of the lessons. Minimum steps to increase value added from independent evaluation involve (i) adhering to strategic principles, (ii) sharpening evaluation strategies, (iii) distinguishing recommendation typologies, (iv) making recommendations better, (v) reporting evaluation findings, and (vi) tracking action on recommendations.[71] Here, performance management tools such as the balanced scorecard system might enable

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[71] ADB. 2007. *Acting on Recommendations and Learning from Lessons in 2007*. Manila: ADB. Available: www.adb.org/documents/pers/rpe-oth-2007-15.asp

Table 4: Learning in Nongovernment Organizations

Who Should Be Learning?	What Should They Be Learning?
Field Staff	• Participation in practice • Effective empowerment • Local-level collaboration with government and other nongovernment organizations • Gender dimensions of local development
Technical Specialists	• Good practice in their area of expertise • Ways of integrating with other disciplines • How to improve cost-effectiveness • How existing internal and external policies affect performance
Operational Managers	• What factors make interventions and projects work well or badly, for example, funding conditions • How to be more cost-effective • How to coordinate internally and externally
Fund-Raisers and Development Educationalists	• Principles and insights to be used in negotiation with professional donors • New messages to get across to private contributors • Examples of impact and what made things work or fail
Leaders	• How policy choices and strategies work out in practice • How to make external relationships more effective • How best to exert influence • What environmental factors have had unforeseen effects and must be taken into account
Governors	• The quality and costs of donors • The degree of stakeholder satisfaction • Consistency between mission, strategy, and impact • Improving social standing and credibility of the organization

Source: Adapted from Fowler, A. 1997. *Striking a Balance: A Guide to Enhancing the Effectiveness of Non-Governmental Organizations in International Development*. London: Earthscan.

Table 5: Types of Learning Failure

Stage	Category
Preparation	• Failures of intelligence: not knowing enough at the early stages of project formulation, resulting in crucial aspects of the project context being ignored. • Failures of decision making: drawing false conclusions or making wrong choices from the data that are available, and underestimating the importance of key pieces of information.
Implementation	• Failures of implementation: bad or inadequate management of one or more important aspects of the project. • Failures of reaction: inability or unwillingness to modify the project in response to new information or changes in conditions that come to light as the project proceeds.
Evaluation	• Failures of evaluation: not paying enough attention to the results. • Failures of learning: not transferring the lessons into future plans and procedures.

Source: Adapted from Nolan, R. 2002. *Development Anthropology: Encounters in the Real World*. Boulder, Colorado: Westview Press.

**Table 6: Characteristics of Accountability and Lesson-Learning
as Objectives of Evaluation Activity**

Item	Accountability as the Objective	Lesson-Learning as the Objective
Basic Aim	The basic aim is to find out about the past.	The basic aim is to improve future performance.
Emphasis	Emphasis is on the degree of success or failure.	Emphasis is on the reasons for success or failure.
Favored by	Parliaments, treasuries, media, pressure groups	Development agencies, developing countries, research institutions, consultants
Selection of Topics	Topics are selected based on random samples.	Topics are selected for their potential lessons.
Status of Evaluation	Evaluation is an end product.	Evaluation is part of the project cycle.
Status of Evaluators	Evaluators should be impartial and independent.	Evaluators usually include staff members of the aid agency.
Importance of Data from Evaluations	Data are only one consideration.	Data are highly valued for the planning and appraising of new development activities.
Importance of Feedback	Feedback is relatively unimportant.	Feedback is vitally important.

Source: Adapted from Cracknell, B. 2000. *Evaluating Development Aid: Issues, Problems, and Solutions*. East Sussex: Sage Publications.

them to measure nonfinancial and financial results, covering soft but essential areas as client satisfaction, quality and product cycle times, effectiveness of new product development, and the building of organizational and staff skills.

Even so, the problématique of independent evaluation is still more complex.[72] At the request of shareholders tasked with reporting to political leadership, taxpayers, and citizens, feedback from evaluation studies has often tended to support accountability (and hence provide for control), not serve as an important foundation block of a learning organization. Some now argue for a reinterpretation of the notion of accountability. Others cite lack of utility; the perverse, unintended consequences of evaluation for accountability, such as diversion of resources;

emphasis on justification rather than improvement; distortion of program activities; incentive to lie, cheat, and distort; and misplaced accent on control.[73] Table 6 suggests that the two basic objectives of evaluations—accountability and learning—are generally incompatible.

The tension between the two functions of evaluation demands also that evaluation agencies distinguish primary audiences more clearly. Figure 14 illustrates how, barring some overlap, audiences for accountability and learning differ. Obviously, this has implications for the knowledge products and services that evaluation units should deploy to reach different target groups, including the dissemination tactics associated with each, and underlines the message that one approach cannot be expected to suit all au-

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72   Serrat, O. 2008. Increasing Value Added from Operations Evaluation. Manila: ADB. Unpublished.

73   Lonsdale, J., B. Perrin, and M. Bemelmans-Videc, eds. 2007. *Making Accountability Work: Dilemmas for Evaluation and for Audit*. New Brunswick, New Jersey: Transaction Publishers.

Figure 14: Target Audiences for Evaluation Feedback
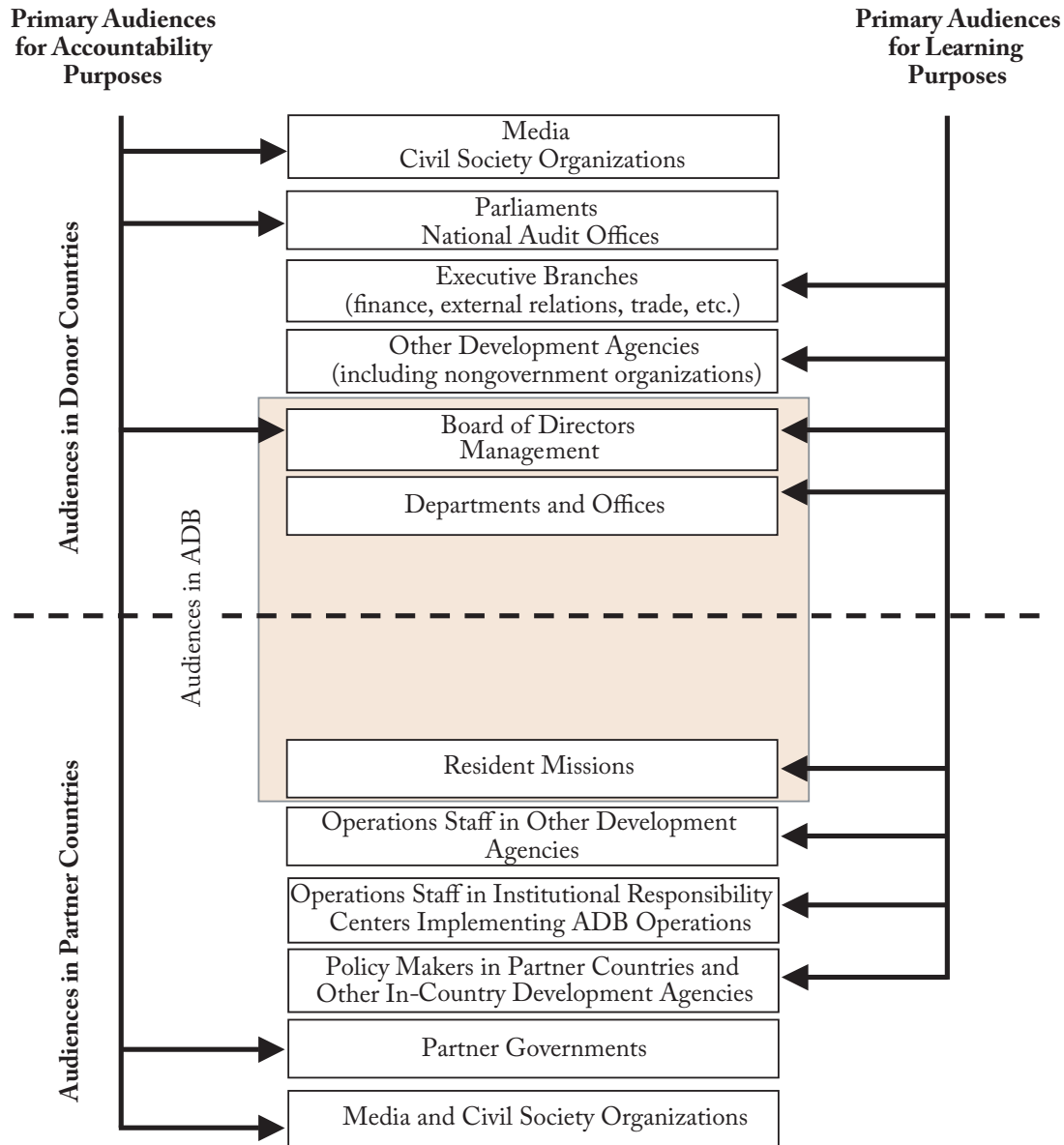
ADB = Asian Development Bank.
Source: Adapted from Organisation for Economic Co-operation and Development. 2001. *Evaluation and Aid Effectiveness* No. 5. Evaluation Feedback for Effective Learning and Accountability. Paris. Available: www.oecd.org/dataoecd/10/29/2667326.pdf

diences. Table 7 lists the key ingredients of the distinct reports that would have to be tailored for each. Naturally, several knowledge management tools mentioned earlier would be leveraged to quicken the learning cycle of practice, experience, synthesis and innovation, dissemination, and uptake with one-time, near-term, and continuous efforts.

This is not to say that evaluation units face an either/or situation. Both accountability and learning are important goals for evaluation feedback. One challenge is to make accountability accountable. In essence, evaluation units are placing increased emphasis on results orientation while maintaining traditional checks on use of inputs

Table 7: Key Ingredients of Effective Reports

Evidence	Persuasive Argument	• Clear purpose • Cohesive argument • Quality of evidence • Transparency of evidence underpinning policy recommendations (e.g., a single study or a synthesis of available evidence)
	Authority	• Clear purpose • Cohesive argument • Quality of evidence • Transparency of evidence underpinning recommendations (e.g., a single study or a synthesis of available evidence)
Context	Audience Context Specificity	• Addresses the specific context (e.g., national, local) • Addresses the needs of target audience (e.g., social, economic policy)
	Actionable Recommendations	• Information linked to specific processes • Clear and feasible recommendations on steps to be taken
Engagement	Presentation of Evidence-Informed Opinions	• Presentation of author's own views about the implications of findings • Clear identification of argument components that are opinion based
	Clear Language and Writing Style	• Easily understood by educated nonspecialists
	Appearance and Design	• Visually engaging • Presentation of information through charts, graphs, and photographs

Source: Adapted from Jones, N., and C. Walsh. 2008. *Policy Briefs as a Communication Tool for Development Research*. Overseas Development Institute Background Note. May. Available: www.odi.org.uk/publications/background -notes/0805-policy-briefs-as-a-communication-tool.pdf

and compliance with procedures. Lack of clarity on why evaluations for accountability are carried out, and what purpose they are expected to serve, contributes to their frequent lack of utility. Moreover, if evaluations for accountability add only limited value, resources devoted to documenting accountability can have a negative effect, perversely enough. However, learning for change is the area where observers find the greatest need today and tomorrow, and evaluation units should be retooled to meet it. Table 8 suggests how work programs for evaluation might be reinterpreted to emphasize organizational learning.

Evaluation capacity development promises much to the learning organization, and should be an activity in which centralized evaluation units have a comparative advantage. Capacity is the ability of people, organizations, and society as a whole to manage their affairs successfully, and capacity to undertake effective monitoring and evaluation is a determining factor of aid effectiveness. Evaluation capacity development is the process of reinforcing or establishing the skills, resources, structures, and commitment to conduct and use monitoring and evaluation over time. Many key decisions must be made when starting to develop evaluation capac-

Table 8: Programming Work for Organizational Learning

Organizational Level	Strategic Driver[a]	Reporting Mechanism	Content/Focus	Responsibility	Primary User and Uses	Timing
Corporate						
Policy						
Strategy						
Operations						

[a] The strategic drivers might be (i) developing evaluation capacity, (ii) informing corporate risk assessments by offices and departments, (iii) conducting evaluations in anticipation of known upcoming reviews, (iv) monitoring and evaluating performance, (v) critiquing conventional wisdom about development practice, and (vi) responding to requests from offices and departments.

Source: ADB. 2007. *Acting on Recommendations and Learning from Lessons in 2007*. Manila: ADB. Available: www.adb.org/documents/pers/rpe-oth-2007-15.asp

ity internally in a strategic way.[74] Among the most important are

- **Architecture.** Locating and structuring evaluation functions and their coordination.
- **Strengthening evaluation demand.** Ensuring that there is an effective and well-managed demand for evaluations.
- **Strengthening evaluation supply.** Making certain that the skills and competencies are in place with appropriate organizational support.
- **Institutionalizing evaluations.** Building evaluation into policy-making systems.

Why development agencies should want to develop in-house, self-evaluation capacity is patently clear. Stronger evaluation capacity will help them
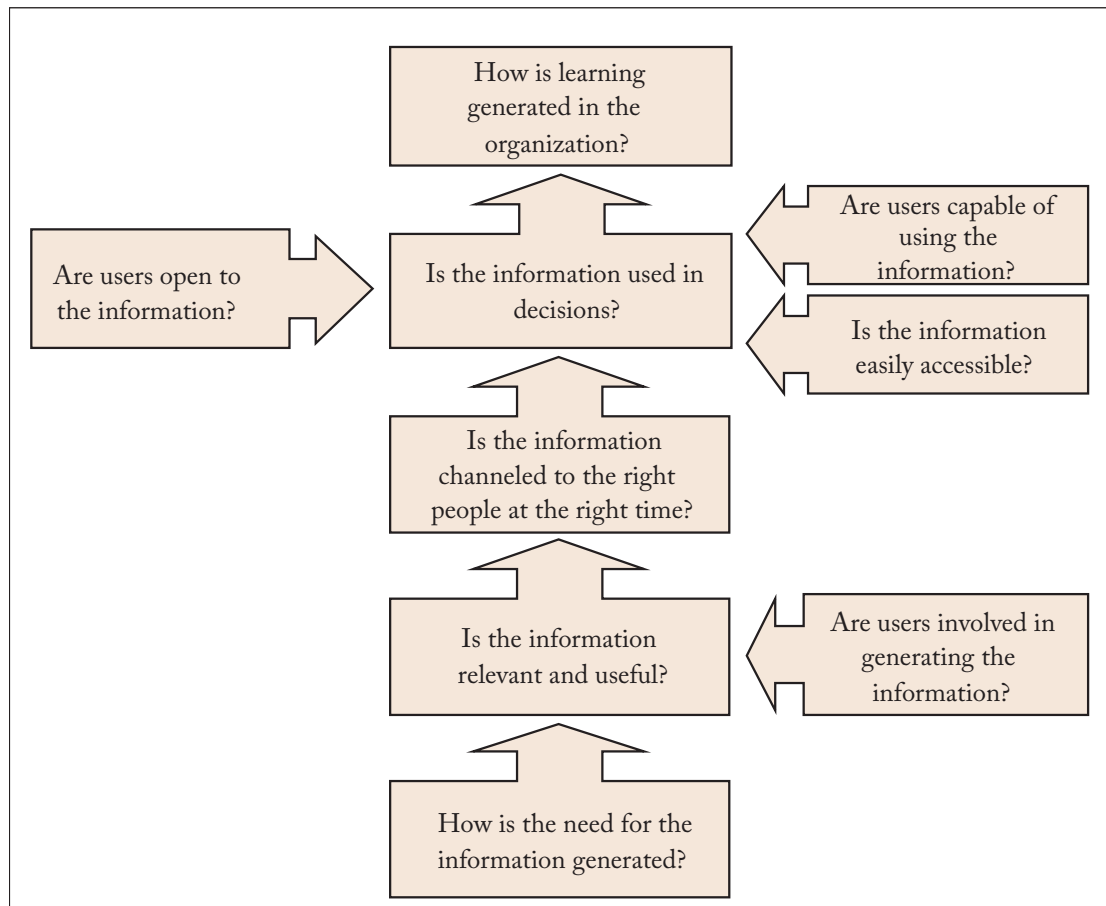
- Develop as a learning organization.
- Take ownership of their visions for poverty reduction, if the evaluation vision is aligned with that.
- Profit more effectively from formal evaluations.

- Make self-evaluations an important part of their activities.
- Focus quality improvement efforts.
- Increase the benefits and decrease the costs associated with their operations.
- Augment their ability to change programming midstream and adapt in a dynamic, unpredictable environment.
- Build evaluation equity, if they are then better able to conduct more of their own self-evaluation, instead of hiring them out.
- Shorten the learning cycle.

Figure 15 poses key questions concerning how an organization may learn from evaluation, combining the two elements of learning by involvement and learning by communication. It provides the context within which to visualize continuing efforts to increase value added from independent evaluation, and underscores the role in internal evaluation capacity development. It also makes a strong case for more research into how development agencies, such as ADB, learn how to learn.

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[74] A discussion of the benefits of external evaluation capacity development lies outside the scope of this document. Interested readers can refer to Serrat, O. 2008. Increasing Value Added from Operations Evaluation. Manila: ADB. Unpublished.

Figure 15: Internal Learning from Evaluations

How is learning generated in the organization?

Are users open to the information?

Is the information used in decisions?

Are users capable of using the information?

Is the information easily accessible?

Is the information channeled to the right people at the right time?

Is the information relevant and useful?

Are users involved in generating the information?

How is the need for the information generated?

Source: Adapted from Scanteam International. 1993. Internal Learning from Evaluations and Reviews. *Report* No. 193. Oslo: Royal Norwegian Ministry of Foreign Affairs.

A Learning Charter for ADB

The illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn, and relearn.

—Alvin Toffler

The Learning Declaration Group has promoted effective learning and development in organizations for many years. Its 13 signatories, people who have researched and written extensively about effective learning, have isolated the benefits of effective learning for society, organizations, and individuals. Appendix 4 spells out what these are and levels challenges at national policy makers; leaders in organizations; teachers, trainers, and developers; and individual learners. The notable tenets of the declaration include

- Learning reinforces the informed, conscious, and discriminating choices that underpin democracy.
- Learning is the only source of sustainable development.
- Learning to learn is the most fundamental learning of all.
- Learning is the key to developing your identity and your potential.
- Society, and the communities of which it is comprised, survives, adapts, and thrives through developing and sharing learning.
- Regular and rigorous use of learning processes increases everyone's capacity to contribute to the success of organizations by challenging, reshaping, and meeting its goals.
- Learning expands the horizons of who we are and what we can become.

You must be the change you wish to see in the world.

—Mohandas K. Gandhi

Since the first version of the declaration was launched in 1998, the group has received reactions ranging from "It's not very radical" to "It's too radical for us to implement." Others have decried the communication mode of the declaration—which mixes principles, analyses, and plans of action somewhat indigestibly without stating a purpose—or demonstrated its dominant discourses and assumptions. Too many plans of action are phrased as commands, or at least as a potpourri of directives. Readers are invited to treat it as knowledge that contributes to decision making, albeit perhaps at too many disparate levels. How can national policy makers; leaders in organizations; teachers, trainers, and developers; and individual learners maximize the learning ability of people by encouraging and supporting individual and collective learning that enables society, organizations, and individuals to change and adapt more effectively? Closer to home, if ADB were to make a statement of intent on learning for change in ADB, what might it say and to what purposes and re-

sults? If staff members were to commit to individual actions, what might these be? Figure 16 details articles of a possible learning charter. Appendix 5 presents a holistic vision of how intellectual capital might be generated, captured, and leveraged to learn for change in ADB.

Figure 16: A Learning Charter for ADB

Statement of Intent

- ADB embraces the concepts of the learning organization to work better with its developing member countries and cultivate the talent of its staff members.

Purposes and Results

- To take concrete actions to transform ADB into a learning organization in its policies, strategies, programs, and projects, as well as the business processes and partnerships associated with these, to meet the challenges of the time.
- To support lifelong learning and development by staff members to ensure that ADB is able to attract, retain, and develop the talent it needs in support of its mission.

Commitments to Corporate Action

- Hold a regular caucus on learning (such as a forum on "Learning in Action").
- Clarify, simplify, and drive governance for human resources management, including learning and development.
- Make clear the roles and responsibilities for learning and development so that there is clear accountability for results.
- Develop learning and development plans in every department and office, and track and evaluate results.
- Establish a minimum annual commitment of funds or time for learning for employees.

Commitments to Individual Action

- Be open to different ideas and ways of doing things.
- Build (and model) an environment where discussion, debate, and questioning are encouraged.
- Look out for good practices and capture and share them as appropriate.
- Investigate and master tools, methods, and approaches that might enrich team discussions.
- Seek regular inputs from clients, and benchmark the services provided against the best in ADB and comparable aid agencies.
- Hold regular team meetings to examine what could be done differently, capture lessons learned, and share lessons with others.

Figure 16: continued

- Participate in communities of practice and other value networks, and encourage staff members to do the same.
- Volunteer to coach and mentor younger or new staff members, and build requisite skills continuously.
- Prepare an individual learning and development plan that incorporates my needs and demonstrates what I will do to support those of others.
- Work with my teams to develop team learning and development plans.
- Cooperate with staff members under my supervision to develop individual learning and development plans that reflect a balance of organizational and personal learning and development needs.
- Provide time and resources necessary to live up to the learning and development needs determined and agreed upon.
- Monitor and evaluate the learning and development activities of staff members under my supervision.
- Take care that I have a diversity of talents, skills, and perspectives represented on teams.
- Ensure that staff members in my unit have the chance to share learning and development experiences with others.
- Resist the temptation to divert learning and development funds to other uses or to use operational requirements as an excuse to delay learning.

Source: Author.

Roadblocks to Learning[1]

An organization belongs on the sick list when promotion becomes more important to its people than accomplishment in the job they are in. It is sick when it is more concerned with avoiding mistakes than with taking the right risks, with counteracting the weaknesses of its members rather than with building on their strength. But it is sick also when "good human relations" become more important than performance and achievement … The moment people talk of "implementing" instead of "doing" and of "finalizing" instead of "finishing," the organization is running a fever.

—Peter Drucker

Organizational learning is collective learning by individuals, and the fundamental phenomena of individual learning apply to organizations. However, organizational learning has distinctive characteristics concerning what is learned, how it is learned, and the adjustments needed to enhance learning. These owe to the fact that an organization is, by general definition, a collective whose individual constituents work to achieve a common goal from discrete operating and supporting units. Practices bring different perspectives and cultures to bear and shape data, information, and knowledge flows.

Political considerations are the most serious impediment to becoming a learning organization. However, by understanding more fully what obstacles to learning can exist in a complex organization in a complex environment, one can circumscribe the problem space and create enabling environments for a more positive future. Such environments would facilitate self-organization, exploration of the space of possibilities, generative feedback, emergence, and coevolution. They would create an explanatory framework and facilitate action.

The bias for action. The organizational context[2] of nongovernment organizations seems to give more value to action than to reflection. An activist culture can lead to quick fixes that in the long term can exacerbate the problems faced if the second-order causes of the problems are not recognized and tackled.[3] The forces that favor jumping into "solutions mode" include (i) time spent in inconclusive deliberations; (ii) the urgency of task; (iii) the felt need for action;[4] (iv) avoidance of reflective observation, unclear concepts, and uncertainty of outcomes; and (v) fear of failure leading to avoidance of decisions. Figure A1.1 illustrates how these pressures reinforce the bias for action instead of encouraging reflection and inquiry. Process and task must be seen as interdependent, as should reflection and action.

Obstacles are those frightful things you see when you take your eyes off your goal.

—Henry Ford

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[1] This section draws in part from Goold, L. 2006. *Working with Barriers to Organizational Learning*. Available: www.bond.org.uk/pubs/briefs/olbarriers.pdf

[2] Every organization has a discrete environment, defined by factors such as identity, values, culture, and worldview of the organization; strategic alignment; activities and processes; size; geographic spread; staff skills and experience; organizational history; available resources; and marketplace factors.

[3] For a note on the strengths and some shortcomings of nongovernment organizations, see Serrat, O. 2001. *NGOs in the Globalized Economy*. Manila: ADB. Available: www.adb.org/documents/periodicals/ero/2001/globalized.asp

[4] The felt need for action may drown discordant information, i.e., learning that challenges organizational consensus or threatens short-term institutional interest, especially with regard to roles and responsibilities.

Figure A1.1: The Bias for Action
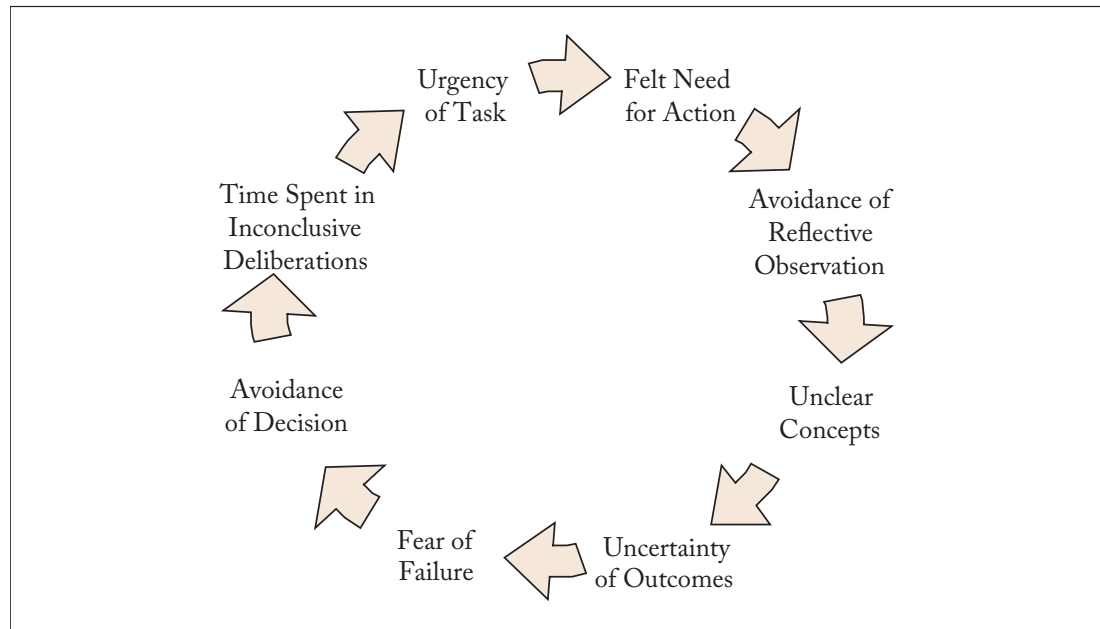

Source: Goold, L. 2006. *Working with Barriers to Organizational Learning*. Available: www.bond.org.uk/pubs/briefs/
olbarriers.pdf

Undiscussables. Behind some pressures that reinforce the bias for action is inability to handle anxiety and fear, compounded by the defensive routines that are built in response. People faced with error, embarrassment, or threat will typically act to avoid these, make the avoidance undiscussable, and make its undiscussability undiscussable. They will do so because they assume that their actions will reduce the likelihood of a situation escalating further. Much energy can be wasted in avoiding controversy; however, it is not potential conflict but the avoidance of action to resolve conflict that causes problems. One approach to undiscussables is to invite speculation, perhaps with the help of a facilitator or with simple guidelines: What is the worst thing that might happen? What would happen if it did? The way to remain scared is to not find out what one is afraid of. Table A1.1 illustrates three types of organizational responses to error, only one of which assuages the fear of failure that biases action.

Commitment to the cause. The individuals who are drawn to development work acknowledge a basic commitment to reducing poverty. From their perspective, they are altruistic and action oriented. Yet their commitment can become compulsive—the cause is never ending, and if they were to pause and reflect, they may question what they have really been doing. Some keep "doing" and suffer from exhaustion, cynicism, or burnout. They may also allow an element of self-righteousness to creep in. Hard work, high energy, and dedication to poverty reduction are not per se negative or unhealthy at the individual or collective level, but their meaning and purpose and one's attachment to them must be questioned with an open mind.

Advocacy at the expense of inquiry. In much aid work, more value appears to be given to advocating a position than inquiring about the view of beneficiaries. This gives little opportunity for new insights and concepts to

Table A1.1: Organizational Responses to Error

Self-Deceiving Response	Defeated Response	Learning Response
Error Definition		
• Failure	• A force beyond control	• A source of information
Strategic Decision		
• The error is hidden or someone is saddled with the blame.	• The error is talked about in rich detail but no action is taken.	• The error is discussed candidly and corrective actions are attempted.
Impact on Leadership		
• The leadership is (partly) deceived and thinks everything is going exactly to plan.	• The leadership is left impotent and the organization becomes immobilized.	• The leadership is able to continuously draw on lessons learned.

Source: Adapted from Korten, D., and R. Klauss, eds. 1984. *People-Centered Development: Contributions Toward Theory and Planning Frameworks*. West Hartford, Connecticut: Kumarian Press.

emerge. Many of the universal practices and behaviors of dialogue and inquiry can help, such as the ability to suspend assumptions, listen to one another earnestly, give voice to what one really thinks, and respect difference. To improve the quality of everyday conversations and make better use of collective spaces for learning, there is an urgent need to develop the art of talking and thinking differently together.

It is a strange trade that of advocacy. Your intellect, your highest heavenly gift is hung up in the shop window like a loaded pistol for sale.

—Thomas Carlyle

Cultural bias. Western cultural assumptions have shaped development work, perhaps also the debates on organizational learning. They are apt to value outputs and outcomes over process, and show a predilection for linear, predictable causality (evidenced, for instance, by the design and monitoring framework, also known as logical framework analysis).[5] East Asian cultures place more emphasis on discussing the problem at hand, after which those present will know what is needed without feeling locked into a specific decision. The rigidity of fixed assumptions apparent in aid agencies should be tempered by insights and concepts such as nonlinearity, edge of chaos, self-organization, emergence, and coevolution.[6] At the village level, tools that have been

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[5]   Sponsors of organizational learning tend to flag learning as a process. However, how then should one balance the evaluation of process and that of outcome? If learning is emphasized as a process, the fact that an organization is learning at all is, in itself, highly desirable. Conversely, if priority is given to effectiveness in accomplishing outcomes, learning will be ascribed less importance. Rationally, the way forward can only be found in the right mix of emphasis in various situations. For a note on the design and monitoring framework that recognizes the limitations of this planning tool and proposes improvements, see Serrat, O. 2008. *Output Accomplishment and the Design and Monitoring Framework*. Manila: ADB. Available: www.adb.org/documents/information/knowledge-solutions/output-accomplishment.pdf

[6]   Ramalingam, B., H. Jones, T. Reba, and J. Young. 2008. Exploring the Science of Complexity: Ideas and Implications for Development and Humanitarian Efforts. *Working Paper* 285. London: Overseas Development Institute. Available: www.odi.org.uk/publications/working_papers/wp285.pdf. For a note on cultural theory and coevolution, see Serrat, O. 2001. *Seeing the Forest and the Trees*. Manila: ADB. Available: www.adb.org/documents/periodicals/ero/2001/seeing_forest.asp

found useful include storytelling, community theater, and participatory approaches. *Learning Lessons in ADB*[7] specifies other cultural roadblocks in the form of psychological and social factors.

Practicing what is preached. Some values and processes that development agencies promote, such as good governance and results-based management, are not practiced internally. At least this raises questions of integrity. If aid agencies reflected on the difficulty of learning in their organizations, they might promote it more sensitively and build absorptive capacity both in-house and elsewhere.

However beautiful the strategy, you should occasionally look at the results.

—Winston Churchill

The funding environment. Funding that is tied to particular programs or projects—ironically often to capture "lessons learned"—does not encourage creative thinking and innovation. Nor does it pave the way for intraorganizational and interorganizational learning, let alone partnerships in developing countries. Second-order forms of learning can be developed without tying funding to prespecified outcomes, such as looking at the qualities and approaches needed for better learning in programs and projects. Elsewhere, where funding is not tied, the constant pressure to demonstrate low overheads may also dissuade aid agencies from investing other resources necessary for effective organizational learning. Elsewhere still, competition for funding may induce fabrication of success stories and detract from constructive self-criticism and analysis, when it does not

exacerbate the trend to "go cheap" and claim unrealistically low operating overheads.

Thinking strategically about learning. How responsibility for learning is structured reveals much about mind-sets and assumptions in an organization. Where efforts are made to mainstream it, responsibility will tend to be held by an individual post-holder at the middle-management level. Although this can give organizational learning a profile, legislating for learning is dangerous. Learning may be seen as the responsibility of an individual rather than as core to organizational practice and central to the organization's identity, values, culture, and worldview. Staff members who are held responsible for organizational learning will also often carry some anxiety about conveying clear statements to others (including senior managers). This could restrict the self-organizing potential of learning. If work on organizational learning is to be structured by the circumstances in which the work is to be performed (i.e., if form were to follow function), an organization may find it more useful to tend existing relationships, create spaces for experimentation and for conversations between people to grow across departmental boundaries, support informal links between and across organizations, offer opportunities and support for peer learning, and go where the energy is for as long as that is needed.[8] (This entails offering incentives and rewards for learning.) Given the unpredictable nature of learning, any strategy should be flexible, that is, not bound to specific outcomes. Investigations should start with an inquiry into the existing practices of staff members, the roadblocks that they face in context, and their assumptions about learning. From this, calculated responses might then be explored, experimented with, and learned from iteratively. This approach would

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[7] ADB. 2007. *Learning Lessons in ADB*. Manila: ADB. Available: www.adb.org/documents/reports/learning -lessons-adb/strategic-framework-2007-2009.asp

[8] Interdependent inputs toward these would be a function of the nature of the task, the range of competencies required, the technology (to be) deployed, and the scale of operations.

Figure A1.2: Overcoming Learning Anxiety
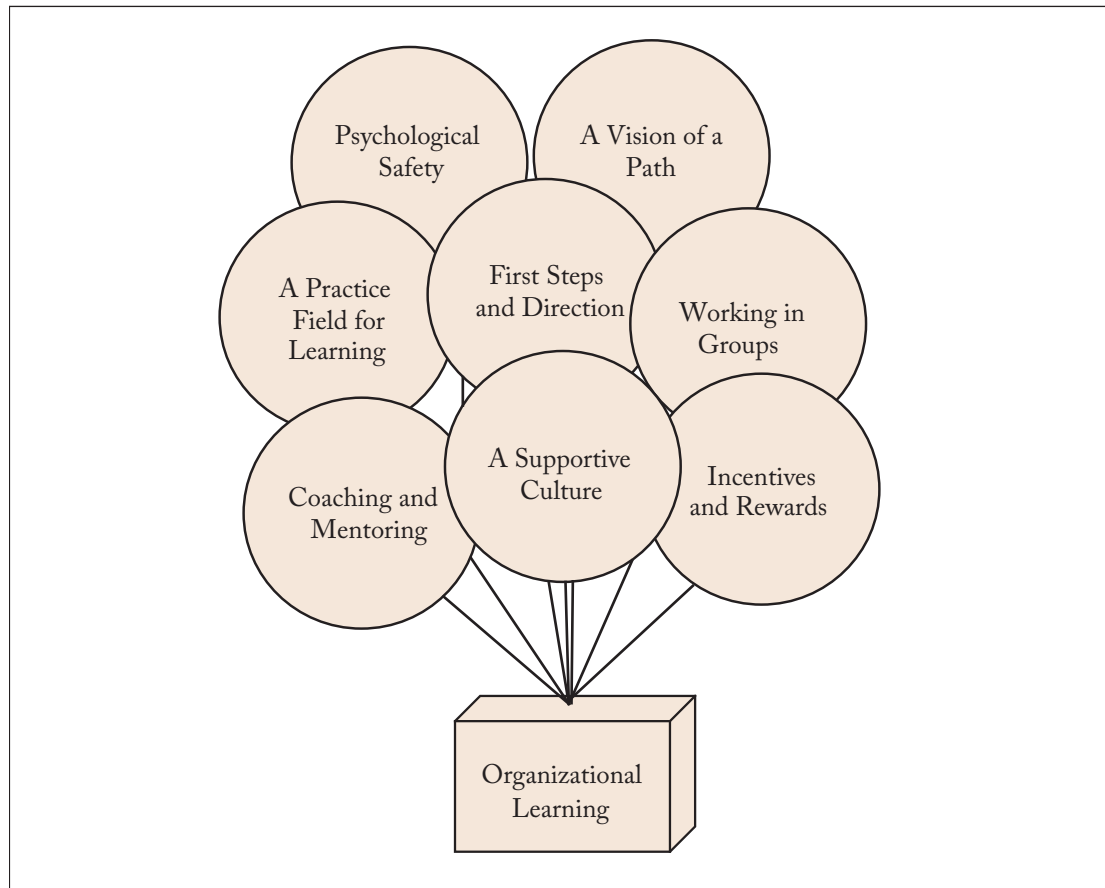
Source: Developed from Schein, E. 1995. Organizational and Managerial Culture as a Facilitator or Inhibitor of Organizational Transformation. Paper presented to the Inaugural Assembly of Chief Executive and Employers in Singapore. 29 June.

shape strategic thinking. Figure A1.2 makes out eight means to focus on and reduce learning anxiety, each of which requires dedicated attention.[9]

Leadership is based on inspiration, not domination; on cooperation, not intimidation.

—William Arthur Wood

The role of leadership. More surprises occur as the result of a failure to act than as the result of a failure to see. Organizations have more to fear from not having strong leadership. It is the leader's responsibility to live the values the organization espouses, set the right tone, and lead truly by example. Much as they must visibly promote the right culture by rewarding those who lead by example, leaders must strengthen or challenge patterns and

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[9] Blaming it on biological determinism, John Cacioppo explains that very early the brain exhibits a "negativity bias," meaning that it reacts with far more electrical activity to the stimuli of bad news than to good, and that this is seen at the early stages of information processing. Thus, our attitudes are more heavily influenced by downbeat than good news. See Ito, T., J. Larsen, K. Smith, and J. Cacioppo. 2002. Negative Information Weighs More Heavily on the Brain: The Negativity Bias in Evaluative Categorizations. In Cacioppo, J., et al., eds. *Foundations in Social Neuroscience*. Cambridge, Massachusetts: MIT Press.

Figure A1.3: Creating the Motive, Means, and Opportunity

**Providing Models, Methods,
and Support**

• Ensure conceptual clarity
• Offer models and methods
• Support the competences
  necessary to learn
• Supply specialist assistance
• Invest financial resources

Motive

Means

Opportunity

**Understanding Learning
and Why It is Important**

• Ensure supportive
  leadership
• Develop and sustain a
  learning culture

Opening a Space for Learning

• Make organizational learning a strategic goal
• Integrate learning in the project cycle
• Invest in knowledge management
  infrastructure
• Build relationships of trust

Source: Developed from Britton, B. 2005. Organizational Learning in NGOs: Creating the Motive, Means and Opportunity. *International NGO Training and Research Center Praxis Paper* No. 3. Available: www.intrac.org/docs .php/241/PraxisPaper3%2008%20update.pdf

norms that limit learning. Their reactions will be amplified by the position they carry. If they encourage staff members to take on work and then question their judgment, or constantly check on them, they will undermine the staff members and reduce creative thinking, innovation, and risk taking. Leaders must be aware that much value exists in communication, which allows leadership skills—good or bad—to show through. It is important that they seek formal and informal feedback on the impact of their gestures and that they be aware that second-order learning, by its very nature, may work against the improvement initiatives they promote.[10] To recap, the principal role of leaders is to create the conditions within an organization through which staff members will first want to learn, then learn to

learn, and finally internalize the habit of continuous learning. Figure A1.3 identifies broad measures that leaders can take to create the motive, means, and opportunity for learning.

Learning to unlearn. Unlearning may be the real challenge of learning. It may be simply characterized as the process of letting go of what is known, with openness and freshness of mind, to create fresh space for new learning to take root. It involves habits one has carried for many years. Learning is intimately part of the elaboration of a system—indeed almost synonymous with it. However, in discovering what must change, the greatest difficulties are often found in its structures and patterns. Consciously reading, assessing, and unlearning these will become fundamental.

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[10] For a note on the importance of management education and training, see Serrat, O. 2000. *Where Do We Stand on Bureaucratic Performance*? Manila: ADB. Available: www.adb.org/documents/periodicals/ero/2000/performance .asp

Ultimately, one may have to concede that it is not policies, strategies, processes, tools, methods, and approaches that define the core and quality of development practice but the past, present, and future, and the openness, judgment, intuition, creativity, integrity, and strength that one can muster to face these that do. In large bureaucratic organizations, unlearning also involves risk and requires psychological safety and the trust on which that rests, and both may be in short supply.

Organizational structure. Although Liz Goold never mentioned hierarchical, centralized, or control-oriented structures, by all accounts, such roadblocks to organizational learning are formidable in most bilateral and multilateral agencies. Arguments against strong hierarchies are about the division of labor, office politics, and interpersonal relations. Hierarchical, centralized, and control-oriented organizations are inclined to separate thinking and acting, and entrust strategy and policy making to particular departments, offices, and senior managers. Top-down flows are inimical to teamwork within and across units. What is more, the structure fires up office politics: the priority of staff members is not learning but protecting or advancing their position, unit, or budget. To these, mastery of the operating system is of greater consequence than appreciating the context and probing the quality of a policy or operation. Conformity—not local accountability, flexibility, innovation, or critical reflection—is rewarded. To boot, field staff members find themselves at the bottom of the hierarchy, their views and interpretations overlooked or overruled. Capacity to learn is interrelated with power and authority in the sense that opportunity (time, space, and priority) to learn depends on where one stands in the hierarchy.

The quality of an organization can never exceed the quality of the minds that make it up.

—**Harold R. McAlindon**

Knowledge inaction. Goold also omitted to mention the inadequacy of information systems. Information overload[11] is common in most aid agencies, but information and communication technologies for collaboration mechanisms, knowledge sharing and learning, and knowledge capture and storage are underdeveloped, under-resourced, or inefficient in all but a few.[12] There is a problem, then, with identifying, creating, storing, sharing, and using quality data and information—synonymous with poor knowledge management. Bottom-up, formal routine reporting in hierarchical organizations has limited learning value. The emphasis is on outputs; accomplishments, not problems, are brought to light; time frames are too short. Reporting is seen as an obligation rather than an opportunity for ongoing, collective, interactive, and inquisitive conversation and dialogue based on quality data and information. By poor knowledge management, hierarchical organizations create self-supporting systems of misinformation.

False images. Moreover, development agencies may have fallen victim to the false portrayal of their work as quick and simple. Even now, the sometimes surreal expectations of taxpayers continue to be fueled by annual reports highlighting success stories. Despite

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[11]   The exception is baseline data and information, which are critical to track progress and make changes if necessary during implementation of an operation, and to monitor and report on its contributions to outcomes.

[12]   *Auditing the Lessons Architecture* shows with a real-life example how a survey of perceptions conducted in 2007 provided entry points against which the Operations Evaluation Department (now the Independent Evaluation Department) can take measures to tie in with audiences in these areas. See ADB. 2008. *Auditing the Lessons Architecture.* Manila: ADB. Available: www.adb.org/documents/studies/auditing-lessons-architecture/in371-07.asp

the high level of uncertainty of development work, there is pressure to be able to predict, if not appear infallible. In opposition, critics argue that development agencies have failed profoundly. With better public education work, development agencies can generate a more insightful understanding of the complexity of the work with which they are tasked (or task themselves).[13]

(Lack of) penalties for not learning. Additionally, the absence of a market test for aid agencies removes the discipline that forces a business to change its ways or go bankrupt. They do not have profit margins, which ultimately depend on client interest and satisfaction. (In quite opposite ways, the beneficiaries of development programs and projects often have little voice and choice.) Therefore, aid agencies are tasked with measuring the larger part of their own performance (notwithstanding the small share of operations examined by independent evaluation) and, in so doing, downplay problems and failures. None of this, however, offers a good excuse for not learning; on the contrary, such arguments underscore learning as a necessity and priority. However, sadly, the judgment that an avoidable mistake in development work has been committed cannot always be argued beyond reasonable doubt—this does not ease the formulation of penalties for not learning, at least not immediately. Additionally, if indulgence for learning lessons were not granted and fair penalties for avoidable mistakes were formulated, how much time should one wait before witnessing improvements in performance at individual, team, cross-functional, operational, and strategic levels?

Multiplying agendas. The combined efforts of shareholders and (advocacy) nongovernment organizations to make aid agencies do a better job of development (by their criteria) tie them down with procedural requirements and prompt them to expand agendas to build coalitions of support. The circle is vicious; promises are not met, and these parties ratchet up requirements with tighter audits of compliance and the instigation of penalties for noncompliant staff members. In situations of no budgetary growth, the broadening scope of work puts staff members in a bind and undermines (when it does not prevent) learning. Conversely, growing operating costs may reduce demand from borrowing governments.

I do have a political agenda. It's to have as few regulations as possible.

—Dan Quayle

Exclusion. Development agencies recruit professional staff members from the international market and local staff members from applicants residing in duty station countries.[14] It cannot be assumed that they share the same space for learning. In 2003, a study[15] of the humanitarian sector found that international staff members accessed about 10 times more explicit knowledge assets from their organizations than their national counterparts. International staff members also attended meetings at approximately 10 times the rate of national staff members. Thus, how national staff members learn and are assisted in their learning and development is of central im-

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[13] For a note on realigning brands, defusing threats, and reperceiving social responsibility, see Serrat, O. 2001. *International Organizations in the Globalized Economy*. Manila: ADB. Available: www.adb.org/documents/periodicals/ero/2001/international_organizations.asp

[14] In 2008, for example, ADB employed 2,507 persons, of whom about 1,628 (65%) were national officers and administrative staff in headquarters and the field.

[15] Active Learning Network for Accountability and Performance (ALNAP) in Humanitarian Action. 2004. Learning by Field Level Workers. In *ALNAP Review of Humanitarian Action in 2003*. London. Available: www.odi.org.uk/alnap/publications/rha2003/pdfs/fch201bl.pdf

portance to the effectiveness of their agencies. Conversely, their importance as sources of "real" knowledge (including history) and their ability to approach things the right way are undervalued if not ignored. Only rarely are they seen as worthy of investment, supported, or given incentives. This waste of key knowledge assets is compounded by the fact that professional staff members characteristically move on when projects and programs end.
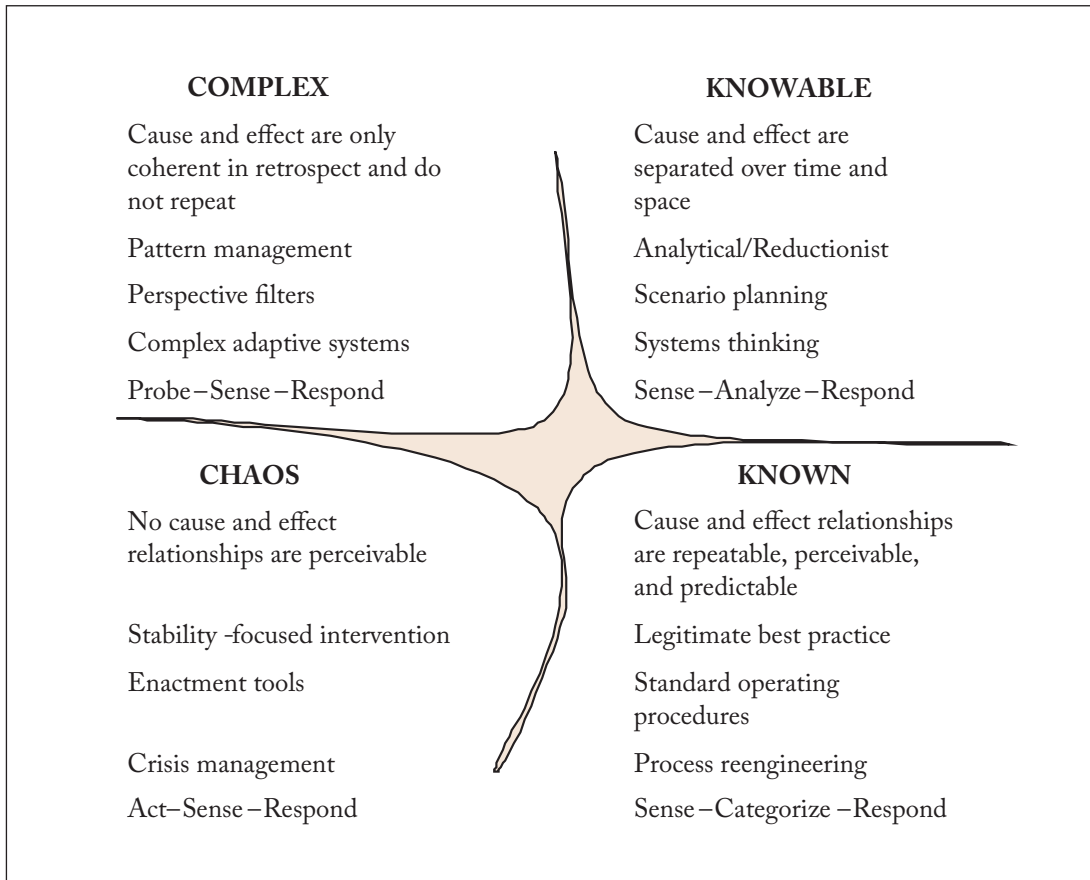

I know that most men, including those at ease with problems of the greatest complexity, can seldom accept even the simplest and most obvious truth if it be such as would oblige them to admit the falsity of conclusions which they have delighted in explaining to colleagues, which they have proudly taught to others, and which they have woven, thread by thread, into the fabric of their lives.

—Leo Tolstoy

Complexity. Cultural bias suggests why development aid follows a linear approach to achieving outputs and outcomes. That approach is guided by business processes (and associated compliance standards) applied with limited and out-of-date insights on dynamic operational contexts. Any planning process is based on assumptions[16]—some will be predictable, others wishful. If the assumptions are based on invalid theories of change (including cause-and-effect relationships) and on inappropriate tools, methods, approaches, and procedures derived from those, development agencies will jeopardize the impacts that they seek to realize. Yet the cultural perspective draws insufficient conclusions about what complexity thinking should mean for development interventions. How might emerging insights from the complexity sciences and systems thinking, combined with field practice, systemically (rather than through a patchwork approach) reshape assumptions about the design of development assistance, improve reading of signals, and foster appropriate adapting of actions? What might be the implications of a shift from compliance with external standards to investing in capacities for navigating complexity? Figure A1.4 portrays a framework to help make sense of a range of unspecified problems, preferably collectively. The framework has five domains, four of which are named, and a fifth central area, which is the domain of disorder. The right-hand domains are those of order; the left-hand domains are those of un-order.

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[16] Cynthia Kurtz and David Snowden identified three basic, universal assumptions prevalent in organizational decision support and strategy: assumptions of order, of rational choice, and of intent. See Kurtz, C., and D. Snowden. 2003. The New Dynamics of Strategy: Sense-Making in a Complex and Complicated World. *IBM Systems Journal*. 42 (3). pp. 462–483. Available: www.research.ibm.com/journal/sj/423/kurtz.html

Figure A1.4: Sense-Making in a Complex and Complicated World

COMPLEX

Cause and effect are only coherent in retrospect and do not repeat

Pattern management

Perspective filters

Complex adaptive systems

Probe – Sense – Respond

KNOWABLE

Cause and effect are separated over time and space

Analytical/Reductionist

Scenario planning

Systems thinking

Sense – Analyze – Respond

CHAOS

No cause and effect relationships are perceivable

Stability -focused intervention

Enactment tools

Crisis management

Act–Sense –Respond

KNOWN

Cause and effect relationships are repeatable, perceivable, and predictable

Legitimate best practice

Standard operating procedures

Process reengineering

Sense –Categorize –Respond

Source: Kurtz, C., and D. Snowden. 2003. The New Dynamics of Strategy: Sense-Making in a Complex and Complicated World. *IBM Systems Journal*. 42 (3). pp. 462–483. Available: www.research.ibm.com/journal/sj/423/kurtz.html

Dimensions of the Learning Organization

At the simplest level, one might consider the critical applications that would allow an organization to recognize its learning orientations and, from there, mark out the structures that affect how easy or hard it is for learning to occur. Figure A2.1 isolates 12 key learning systems from a managerial, somewhat top-down, perspective.

The literature on learning organizations suggests that certain key tasks must be undertaken for an organization to learn effectively. Figure A2.2 presents a set of competences that might need to be developed to support learning, largely from a functional perspective.

It is also helpful to demarcate some dimensions of the learning organization in terms of adaptive and generative learning, the two most commonly cited distinguishing characteristics of organizational learning. Table A2.1 selects a few attributes of learning primarily from a structural perspective.

Social capital is the stock of active connections among people, that is, the mutual understanding, shared values and behaviors, and trust that bind members of networks

Figure A2.1: Dimensions of the Learning Organization: Learning Management Systems
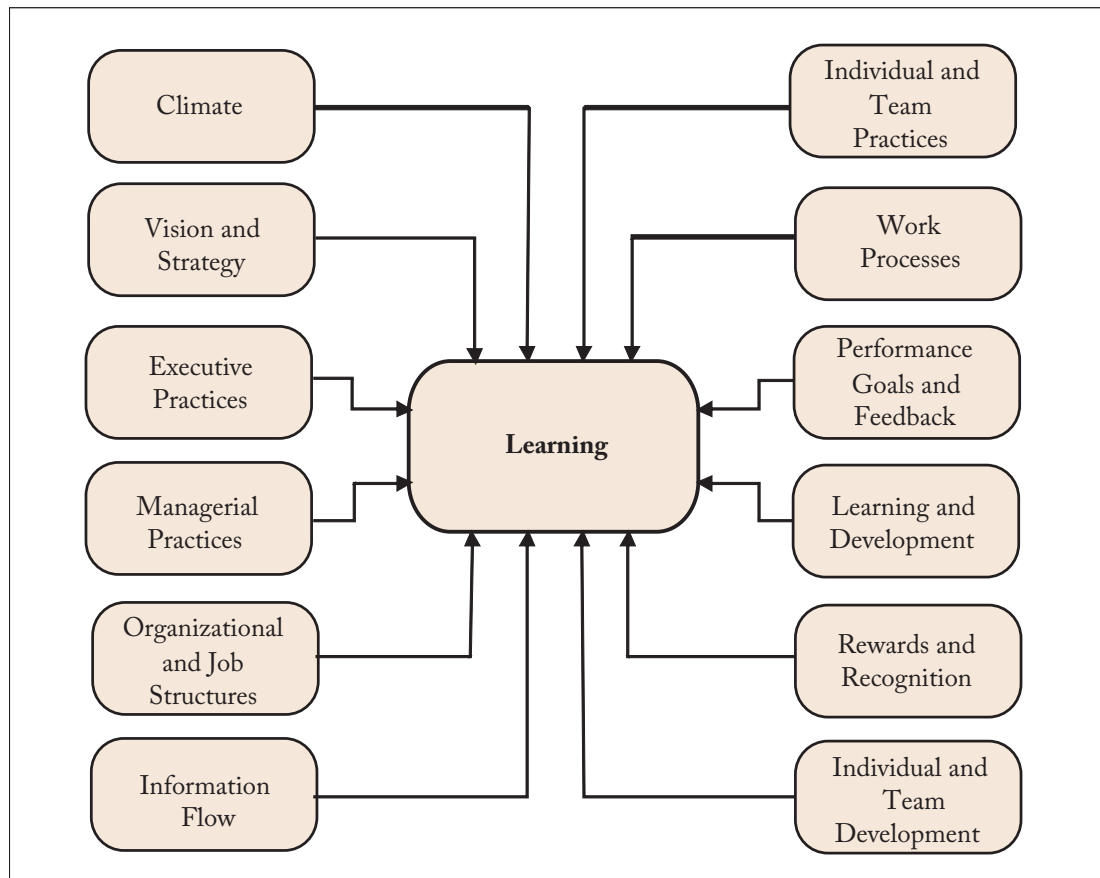
Source: Author.

Table A2.1: Dimensions of the Learning Organization: Adaptive and Generative Learning

	Adaptive	Generative
Strategic Characteristics		
• Core competence	• Better sameness	• Meaningful difference
• Source of strength	• Stability	• Change
• Output	• Market share	• Market creation
• Organizational perspective	• Compartmentalization	• Systemic
• Development dynamic	• Change	• Transformation
Structural Characteristics		
• Structure	• Bureaucratic	• Network
• Control systems	• Formal rules	• Values, self-control
• Power bases	• Hierarchical position	• Knowledge
• Integrating mechanisms	• Hierarchy	• Teams
• Networks	• Disconnected	• Strong
• Communication flows	• Hierarchical	• Lateral
Human Resources Practices		
• Performance appraisal system	• Rewards stability	• Flexibility
• Basis for rewards	• Short-term financial rewards	• Long-term financial and human resource development
• Focus of rewards	• Distribution of scarcity	• Determination of synergy
• Status symbols	• Rank and title	• Making a difference
• Mobility patterns	• Within division or function	• Across divisions or functions
• Mentoring	• Not rewarded	• Integral part of performance appraisal process
• Culture	• Market	• Clan
Managers' Behaviors		
• Perspective	• Controlling	• Openness
• Problem-solving orientation	• Narrow	• Systemic thinking
• Response style	• Conforming	• Creative
• Personal control	• Blame and acceptance	• Efficacious
• Commitment	• Ethnocentric	• Empathetic

Source: McGill, M., J. Slocum, and D. Lei. 1992. Management Practices in Learning Organizations. *Organizational Dynamics*. 22 (1). pp. 5–17.

Figure A2.2: Dimensions of the Learning Organization: Key Functions

```
                    ┌──────────────────┐
                    │ Gathering Internal│
                    │    Experience     │
                    └──────────────────┘
   ┌──────────────┐                      ┌──────────────┐
   │  Integrating │                      │   Accessing  │
   │ Learning into│                      │ External     │
   │ Strategy and │                      │   Learning   │
   │    Policy    │                      └──────────────┘
   └──────────────┘   ┌──────────────┐
                      │ Applying the │
                      │   Learning   │
                      └──────────────┘
   ┌──────────────┐                      ┌──────────────┐
   │ Developing an│                      │Communication │
   │Organizational│                      │   Systems    │
   │    Memory    │                      └──────────────┘
   └──────────────┘   ┌──────────────┐
                      │   Drawing    │
                      │ Conclusions  │
                      └──────────────┘
                    ┌──────────────┐
                    │  Creating a  │
                    │  Supportive  │
                    │   Culture    │
                    └──────────────┘
```
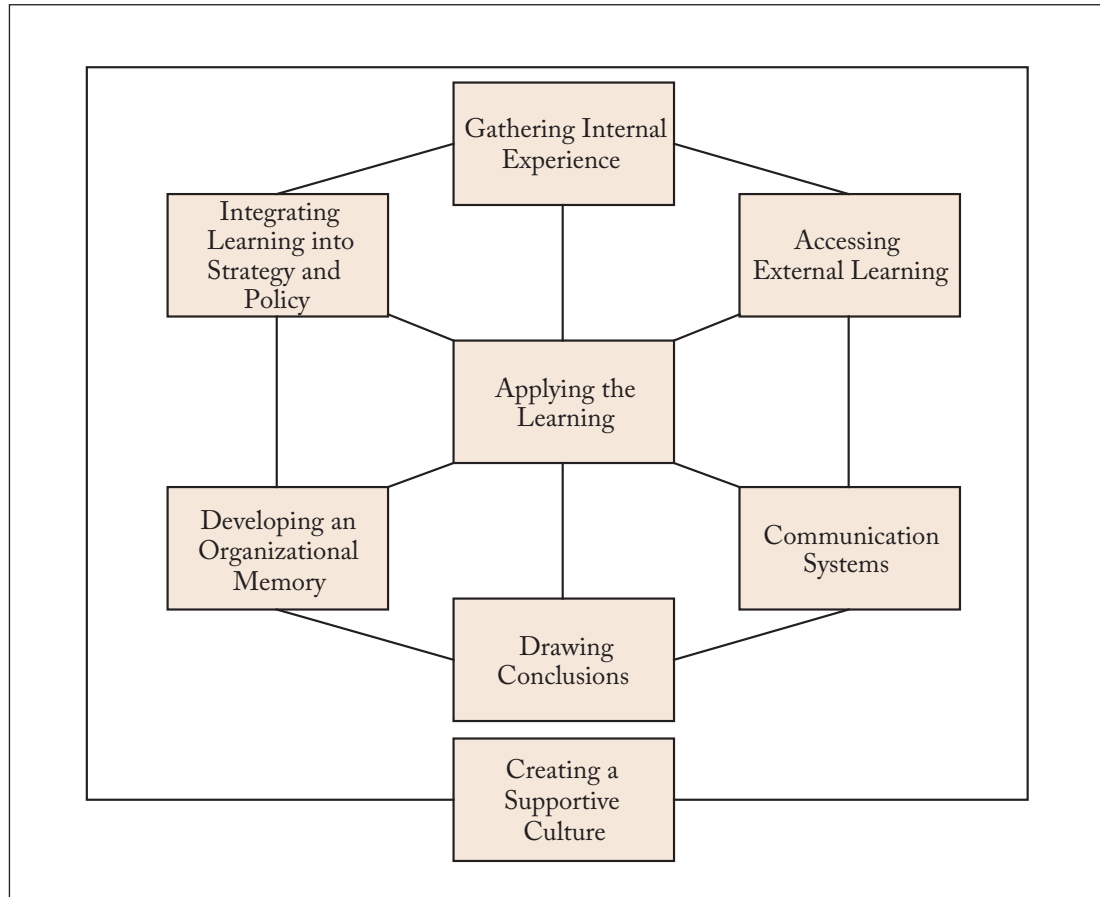
Source: Britton, B. 1998. The Learning NGO. *International NGO Training and Research Center Occasional Paper* No. 17. Available: www.intrac.org/docs/OPS17.pdf
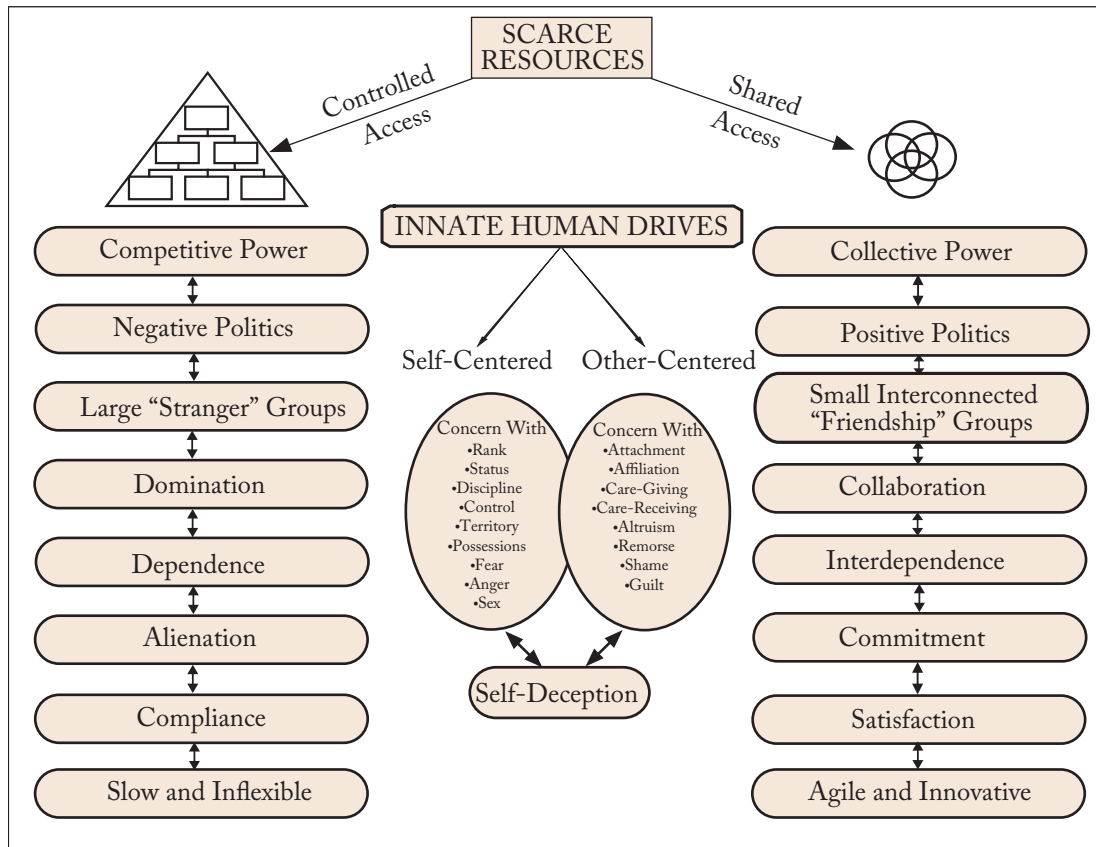
and communities, making cooperative action possible. The social cohesion that results is critical for societies to prosper and for development to be sustainable. The literature on social capital is vast but the idea of looking at social capital in organizations, not society, is relatively new. Here, the argument is that social capital makes an organization more than a collection of individuals. Charles Ehin offered a comprehensive framework to understand how human nature supports or undermines voluntary workplace collaboration and innovation.[1] Figure A2.3 outlines several vital considerations pertaining to the functioning of organizations from a social capital perspective.

Organizational learning must be understood as a pattern in a stream of decisions. How does strategy form in organizations? The various types of strategies uncovered in research can be located somewhere between the ends of a continuum along which real-world strategies lay. The most common might be labeled "planned", "entrepreneurial", "ideological", "umbrella", "process", "unconnected", "consensus", and "imposed". The results will either be intended or realized. More interestingly, Henry Mintzberg distinguished

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[1]   Ehin, C. 2000. *Unleashing Intellectual Capital*. Boston: Butterworth-Heinemann.

**Figure A2.3: Dimensions of the Learning Organization:
Relating Human Nature to Organizational Context**

SCARCE
RESOURCES

Controlled
Access

Shared
Access

Competitive Power

Negative Politics

Large "Stranger" Groups

Domination

Dependence

Alienation

Compliance

Slow and Inflexible

INNATE HUMAN DRIVES

Self-Centered   Other-Centered

Concern With
•Rank
•Status
•Discipline
•Control
•Territory
•Possessions
•Fear
•Anger
•Sex

Concern With
•Attachment
•Affiliation
•Care-Giving
•Care-Receiving
•Altruism
•Remorse
•Shame
•Guilt

Self-Deception

Collective Power

Positive Politics

Small Interconnected
"Friendship" Groups

Collaboration

Interdependence

Commitment

Satisfaction

Agile and Innovative

Source: Ehin, C. 2000. *Unleashing Intellectual Capital*. Boston: Butterworth-Heinemann.

deliberate strategies—realized as intended—from emergent strategies—patterns or consistencies realized despite, or in the absence of, intentions. Figure A2.4 reveals how strategy formulation that walks on two feet—one deliberate, the other emergent—can inform strategic learning.[2]

Ultimately, learning must be customized to the circumstances of an organization and the work it conducts. Each organization is different, but the work styles of any organization fall under four models: process, sys-

tems, network, and competence. Figure A2.5 highlights the characteristics of particular work settings and hints thereby at the learning needs of each. In brief, the process and systems models correspond to work settings that are routine and require little interpretation. What is needed to perform tasks is know-how; learning takes place through generalized learning and development training with the help of how-to guides. Evaluation and other reports can help as well. However, the network and competence models call for

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[2] Still, notwithstanding the intuitive sense of Mintzberg's approach to strategy learning, failing to grasp thoroughly the influence of power on the strategy-making process can severely inhibit the potential of strategy making as a vehicle of organizational learning. Views of organizations as cohesive entities are unrealistic and unhelpful, and it is vital to recognize the plethora of interest groups that inevitably compete to shape an organization's direction.
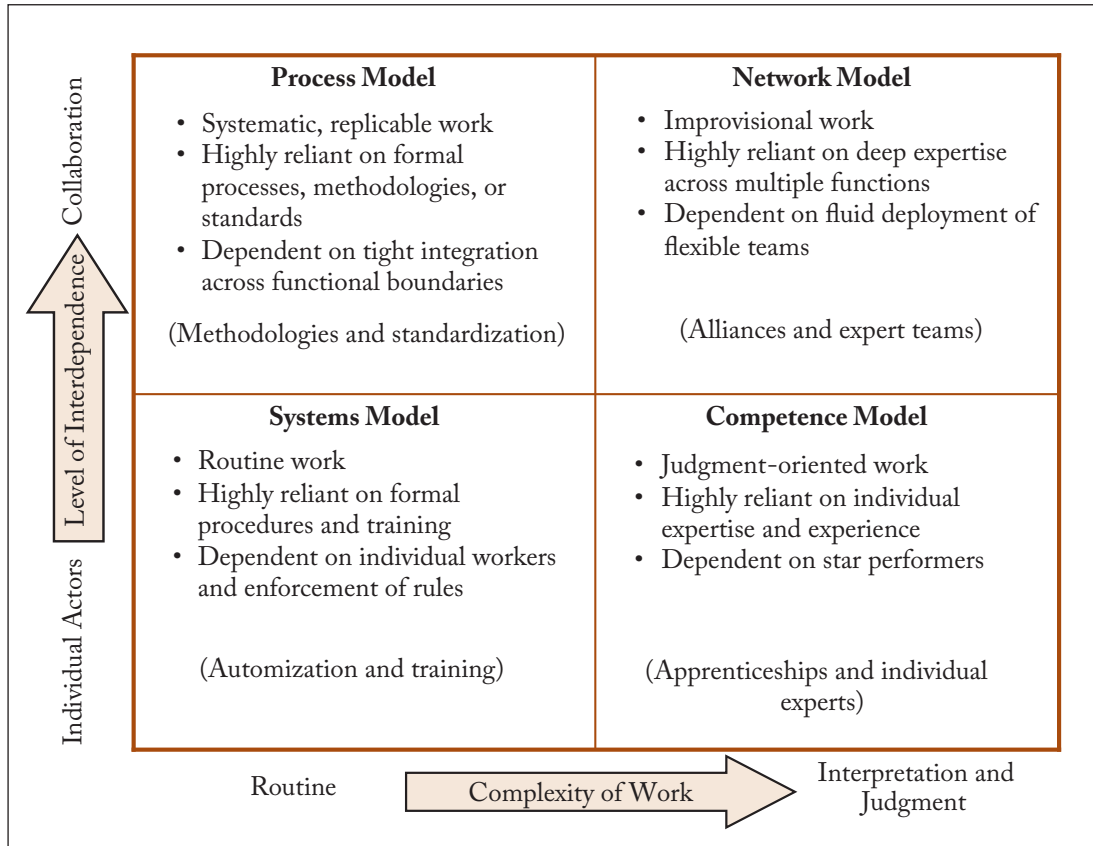
Figure A2.4: Dimensions of the Learning Organization: Strategic Learning
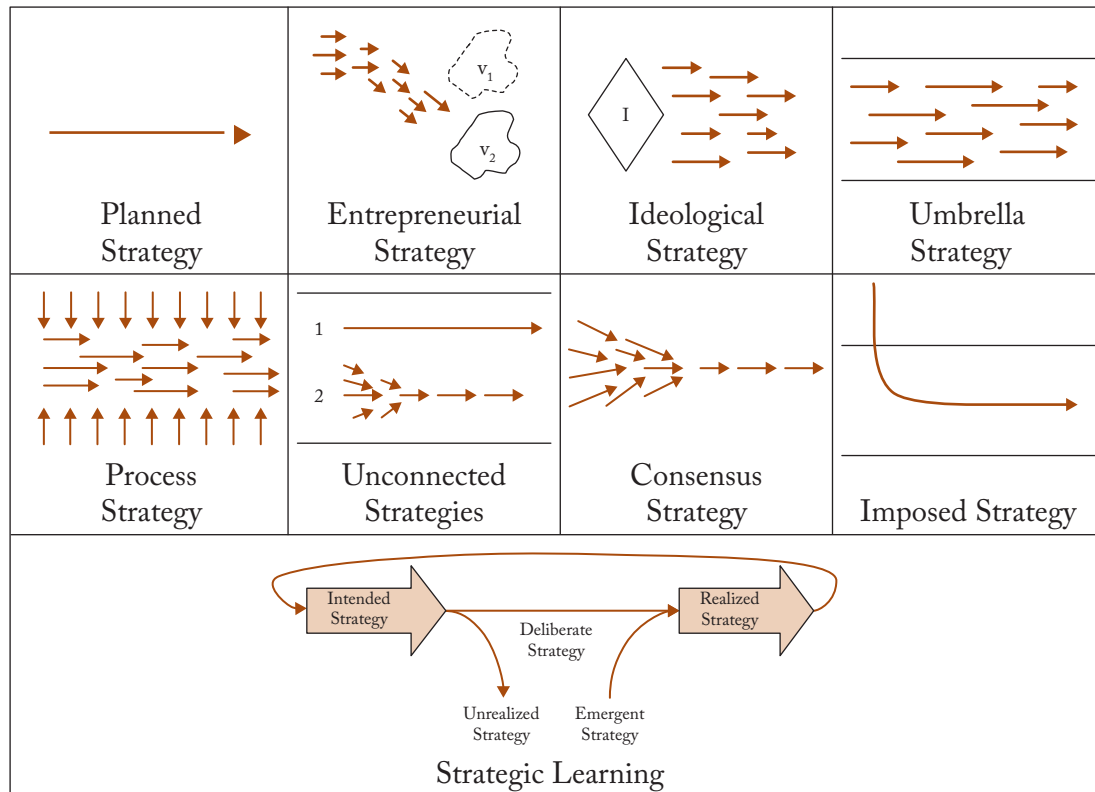
Source: Compiled from Mintzberg, H., and J. Waters. 1985. Of Strategies, Deliberate and Emergent. *Strategic Management Journal*. 6 (3). pp. 257–272.

much higher levels of judgment and depend on deeper understanding and insight as well as an ability to improvise. Work on policies, strategies, programs, and projects fits in these domains.

Without denigrating concepts of systemic thinking—since a better appreciation of the whole and the interrelationship between the parts will lead to more pertinent action—development agencies have a long way to go before they reach the ideal of learning organizations. Table A2.2 segregates dimensions of the learning organization based on Peter Senge's ideal and the reality in the field mainly from a technicist perspective.

Figure A2.5: Dimensions of the Learning Organization: Work Styles Matrices

	Routine ──► Complexity of Work ──► Interpretation and Judgment
Collaboration **Level of Interdependence** ▲ **Individual Actors**	

Process Model
- Systematic, replicable work
- Highly reliant on formal processes, methodologies, or standards
- Dependent on tight integration across functional boundaries

(Methodologies and standardization)

Network Model
- Improvisional work
- Highly reliant on deep expertise across multiple functions
- Dependent on fluid deployment of flexible teams

(Alliances and expert teams)

Systems Model
- Routine work
- Highly reliant on formal procedures and training
- Dependent on individual workers and enforcement of rules

(Automization and training)

Competence Model
- Judgment-oriented work
- Highly reliant on individual expertise and experience
- Dependent on star performers

(Apprenticeships and individual experts)

Routine → Complexity of Work → Interpretation and Judgment

Source: Adapted from Pickering, A. 2002. *Knowledge Management: New Research from the Institute for Strategic Change*. Cited in Hovland, I. 2003. Knowledge Management and Organisational Learning, An International Development Perspective: An Annotated Bibliography. *Working Paper* 224. London: Overseas Development Institute. Available: www.odi.org.uk/publications/working_papers/wp224.pdf

Table A2.2: Dimensions of the Learning Organization: Idealism and Reality

The Ideal	The Reality in the Field
Discipline 1: Personal Mastery—individual growth and learning	• Operational staff members feel undervalued by the organization; there are few individual incentives for learning. • National staff members and local actors are important sources of local knowledge and vital for learning but are often excluded from learning efforts. • Southern knowledge is incorporated ad hoc at the tactical, rather than strategic, level.
Discipline 2: Mental Models—explicit articulation of tacit knowledge (ingrained assumptions) about the organization and how it works in the wider world	• Tacit knowledge is all-important at the field level, with field staff showing a bias toward informal learning and social networking. • Explicit knowledge is seldom in the right form or in the right place at the right time—it is always in catch-up mode.
Discipline 3: Shared Vision and consensus inspiring and motivating staff members	• The aid sector lacks clarity and consensus about objectives, responsibilities, relationships, and outcomes at all levels. This carries through to the reference points and frameworks necessary for understanding and assessing performance, and can diminish staff motivation for learning.
Discipline 4: Team-Based Mastery—learning through improved communication, and openness to creative thinking through reflective conversation and dialogue	• There is inadequate support for management and leadership in the field. High staff turnover and inadequate procedures result in constantly changing teams. • Continual demands from head office for information "from the field" create tensions that make learning difficult in many organizations.
Discipline 5: Systems Thinking—focusing on interrelationships between parts of an organization	• The learning cycle of reflection before, during, and after activities is poorly developed and unsupported at the field level, which creates problems for systems-based approaches. • Most aid agencies make no attempt to learn from recipient populations—a fundamental omission.

Source: Ramalingam, B. 2008. *Organizational Learning for Aid, and Learning Aid Organizations.* Available: www .capacity.org/en/journal/feature/organisational_learning_for_aid_and_learning_aid_organisations

Seeking Feedback on Learning for Change[1]

Organization

(i) There is an inspiring vision for learning and an organizational learning strategy that clearly communicates that learning is critical to organizational success.

(ii) Leaders take an exemplary leading role in creating and sustaining a supportive learning culture.

(iii) The formal organizational structure facilitates learning, adaptation, and change.

(iv) Sanctioned informal organizational structures enable and encourage learning across formal structural boundaries.

(v) Good use is made of communication systems to facilitate the lateral transfer of information and knowledge and to minimize the development of "silos".

(vi) Adequate resources are allocated for learning in terms of time allocation, specialist support staff, budgets for knowledge management infrastructure, formal and informal communities of practice and other value networks, and learning and development programs.

(vii) A balanced approach to learning that recognizes the importance of both planned and emergent learning is taken.

(viii) Planned learning is addressed through the careful design of strategy, structure, systems, procedures, and plans.

(ix) Emergent learning is encouraged by creating opportunities for informal sharing of knowledge and experience.

(x) Failures and unintended outcomes are the focus of constructive discussions leading to new approaches. When such incidents involve clients, care is taken to protect their reputation.

People

(i) Staff members are required to be reflective practitioners to reflect on their experience, develop experience-based theories of change, continuously test these in practice with colleagues, and use their understanding and initiative to contribute to knowledge development.

(ii) All staff members make frequent use of a range of tools, methods, and approaches for learning and collaborating with others.

(iii) Staff members experience a high level of psychological safety and trust; they can rely on colleagues and are not exposed to unfair negative criticism.

(iv) Teams operate as learning communities in which success and unexpected outcomes are analyzed and in which sensitively expressed dissent, conflict, and debate are encouraged as positive sources of learning.

(v) Staff members are encouraged to look outside the organization for new ideas, trends, and practices and to share what they learn with colleagues.

(vi) Equal attention is paid to developing and retaining staff members at all levels.

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[1]   The use of a six-point scale from *Strongly Agree* to *Strongly Disagree* is recommended.

(vii) Staff members successfully use a wide range of opportunities for individual and team-based learning and development.

(viii) Time and effort spent by staff members on learning and knowledge development are recognized as core activities in the organization's time and performance management systems.

(ix) A wide range of formal and informal rewards and incentives for contributing to organizational learning and knowledge development is used (e.g., career advancement, increased income, informal peer status, additional time provided for study, and public acknowledgment for innovative contributions made).

(x) Leadership (based on the possession of expertise and knowledge) is expected from staff members at all levels in the organizational hierarchy.

Knowledge

(i) There is a widespread recognition that while knowledge is created in the minds of individuals, knowledge development thrives in a rich web of professional networks among individuals.

(ii) Important knowledge is easily accessible to people who need and use it.

(iii) There are creative opportunities for knowledge to be developed and shared with others by facilitating networks between individuals.

(iv) The design and delivery of products and services demonstrate how effective the organization is at applying what it has learned about the nature of good practice.

(v) The necessary systems and infrastructure for knowledge management are in place, understood, and working effectively.

(vi) Evaluations are carefully designed with learning (as well as accountability) in mind. Systems ensure that the outputs of internal and independent evaluations are made widely available; carefully examined; and used to influence decision making and planning, question orthodox thinking, and trigger creativity and innovation.

(vii) Peer assists, drawing on individuals' expertise and documented lessons learned, are used in planning new initiatives to reduce the likelihood of repeated and unintended negative outcomes.

(viii) The organization has a resilient organizational memory and is not vulnerable to the loss of important knowledge when staff members move to other jobs in the organization or leave.

(ix) Individuals and teams successfully use a range of methods for surfacing their tacit knowledge and making it available to others, for example, by using carefully targeted documentation and collaborative working practices.

(x) Adoption of after-action reviews and retrospects to learn from experience has been successful.

Technology

(i) There is a thorough and shared understanding of the value of information and communication technologies for knowledge management and learning.

(ii) Information and communication technologies facilitate but do not drive or constrain knowledge management and learning in the organization.

(iii) Information and communication technologies are successfully used to create and sustain learning communities.

(iv) Information and communication technologies are successfully used to keep people informed and aware of corporate developments.

(v) Information and communication technologies are successfully used to create unexpected, helpful connections between people and to provide access to their knowledge and ideas.

(vi) Information and communication technologies are successfully used to encourage innovation and creativity.

(vii) Information and communication technologies are successfully used to enable people to share and learn from good practices and unintended outcomes.

(viii) Information and communication technologies are successfully used to enable people to identify internal sources of expertise.

(ix) Creative use of information and communication technologies is high. At least five of the following have been successfully adopted: shared document drives, intranet pages, online communities and networks, wikis and other means of collaborative document production, blogging, online storytelling, lessons learned databases, staff profile pages, online webinars, podcasts, and social network mapping.

(x) Sufficient opportunities are provided for staff members to learn how to make use of available information and communication technologies for learning and knowledge sharing.

A Declaration on Learning[1]

The Challenge

Learning reinforces the informed, conscious, and discriminating choices that underpin democracy.

National policy makers must

(i) Make learning to learn one of the fundamental goals of education and training, and reduce the excessive focus on knowledge and skills that can quickly become obsolete.

(ii) Support and invest in uncertificated learning as much as in certificated learning. Abandon the preoccupation with controls that inhibit learning (e.g., accreditation, inspection, audit, and predefined standards).

(iii) Recognize there is no such thing as a nonlearner; all people are learners. The challenge is to secure the kinds, amount, and pace of learning that benefit individuals, organizations, and society as a whole.

(iv) Encourage and support the self-management of learning (e.g., allowing learners to set their own goals and to choose how and when to learn to meet needs identified by themselves rather than by others).

(v) Create schemes that remove financial obstacles to learning for individuals and socially disadvantaged groups.

(vi) Use participative democratic processes to promote inclusion and cooperation as a basis for learning.

Learning is the only source of sustainable development.

Leaders in organizations should

(i) Commit to, proclaim, and celebrate continual learning as one of the organization's most valuable capabilities.

(ii) Include the right to learn and develop continually in all contracts of employment.

(iii) Build into the agreed roles of all managers the primary need to focus on encouraging others to learn and reinforce this through personal support, coaching, and mentoring.

(iv) Be a role model for learning, by doing such things as asking questions you do not know the answers to, demonstrating how you have learned from your mistakes, and articulating and sharing your own learning.

(v) Have effective strategies to link individual and collective learning, both within and between groups and organizations.

(vi) Routinely encourage curiosity, inquiry, and diversity of thought as the norm to ensure dialogue about strategy and decision making at all levels.

(vii) Encourage people to challenge, innovate, and experiment.

Learning to learn is the most fundamental learning of all.

Teachers, trainers, and developers must

(i) Be role models for effective learning.

(ii) Support learning from live problems and experience, as a central activity of work.

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[1]   Cunningham, I. 2006. A Declaration on Learning: How Do You Respond? *Development and Learning in Organizations*. 20 (6). pp. 18–23.

(iii) Encourage and support reflection.

(iv) Encourage everyone to have learning goals and development plans.

(v) Respond to both the complexity of situations and the diversity of learners, and avoid simplistic solutions that fail to create worthwhile learning.

(vi) Ensure that everyone can learn how to learn effectively, and exploit the full range of opportunities available everyday.

(vii) Support people through the discomfort and uncertainty sometimes associated with learning (e.g., through mentoring, support groups, and networks).

(viii) Invest time and effort in bringing people together to learn from one another.

(ix) Empower others to take responsibility for, and to manage, their own learning. Stop defining for others what they need and how those needs should be met.

Learning is the key to developing your identity and your potential.

As an individual learner, you should

(i) Take responsibility for yourself as a learner—both in terms of what you seek to learn and how—by setting your own learning goals, actively seeking the conditions or experiences that will help achieve the goals, making demands on the system, and refusing to tolerate obstacles to effective learning.

(ii) Make your learning (both in terms of goals and the means to achieve the goals) as conscious, self-disciplined, and explicit as possible. Routinely review whether you are making progress toward your learning goals.

(iii) Share your learning with others as an investment with a high return in terms of personal learning.

(iv) Learn to exploit everyday experiences as learning opportunities—experiment, try out alternatives, ask others, and invite challenge.

(v) Learn with and through others as a prime vehicle for learning.

(vi) Explore and consciously exploit the wide range of resources for learning (e.g., the internet, coaches, mentors, and colleagues).

(vii) Always seek and learn from feedback as well as inquiry.

Assertions about the Nature of Learning

Learning is frequently associated with formal teaching and training that, too often, comes to be seen as irrelevant to daily life and work. Most learning takes place outside controlled classroom environments, and this needs to be recognized—especially by educators and governments. It is unhelpful to link learning solely to the achievement of qualifications where systems of accreditation are often assumed to represent the totality of a person's learning and can result in unfair discriminatory practices and mere tests of short-term memory.

The critical task for government policy makers and leaders in organizations is to maximize the learning ability of people by encouraging and supporting individual and collective learning. In this way, organizations, communities, and societies can change and adapt more effectively.

Learning can be looked on as a process, for example, reflecting and questioning (which can be made more effective through consciously learning to learn), or an outcome (which may or may not be planned).

(i) Learning is not just about knowledge. It is also about skills, insights, beliefs, values, attitudes, habits, feelings, wisdom, shared understandings, and self-awareness.

(ii) Learning outcomes can be incremental (building gradually on what has already been learned) or transformational (changing ways of being, thinking, feeling, and acting).

(iii) Transformational learning may be a struggle, take time, and involve conflict over aims and outcomes.

(iv) By its very nature, learning is essentially individual but can also be collectively generated in groups and organizations.

(v) There is no one right way to learn for everybody and for every situation.

(vi) We can learn from any experience—failure, success, having our expectations confirmed, or having them confounded.

(vii) Learning processes can be conscious (which helps us exercise our control over the process) or unconscious, and serendipitous.

(viii) Learning processes can be both planned and opportunistic. Combining the strengths of both can enhance learning effectiveness.

(ix) Learning outcomes can be desirable or undesirable for the learner and for others—therefore, learning always has a moral dimension.

(x) Learning (both as a process and an outcome) can be both a cause of change and a consequence of change. There is no learning without change, although there can be change with insufficient learning.

(xi) Questioning, listening, challenging, inquiring, and taking action are crucial to effective learning.

(xii) The learning process occurs inside the person, but making the outcomes explicit and sharing them with others, adds value to the learning.

(xiii) When self-managed, learning becomes more effective.

(xiv) Learning as a process can be subject to obstacles (e.g., social exclusion, lack of resources or confidence), but the desire and ability to learn is hard to suppress.

(xv) Wanting to learn, and seeing the point of learning, is often crucial and makes it more likely that unexpected opportunities to learn will be exploited.

(xvi) Mood influences the quality of learning. While not a prerequisite, enjoyment of the learning process is a significant enabler.

The Benefits of Effective Learning

The following benefits assume that the learning in question is morally acceptable in intent, process, and outcome. (This, of course, leaves open the question of whose morality.)

For Society

(i) Society, and the communities of which it is comprised, survives, adapts, and thrives through developing and sharing learning.

(ii) A focus on articulating, valuing, and sharing learning contributes to a more cohesive society where everyone's contribution is valued.

(iii) Individual and collective learning reinforces the informed, conscious, and discriminating choices that underpin democracy.

(iv) Learning has the potential to create a society where diversity is valued and everyone can lead more fulfilled lives.

(v) Learning (as distinct from education) helps people become active citizens in a constantly changing world.

For Organizations

(i) Regular and rigorous use of learning processes increases everyone's capacity to contribute to the success of organizations by challenging, reshaping, and meeting its goals.

(ii) Learning from and with all stakeholders enhances and helps clarify purpose, vision, values, and behavior.

(iii) A focus on learning, planned and unplanned, produces a wide range of solutions to organizational issues.

(iv) Learning helps achieve a balance between the pressures of long-term effectiveness and short-term efficiency.

(v) Learning enables an organization to balance the demands of its stakeholders and its environment.

(vi) Learning, when shared, reduces the likelihood of repeated mistakes.

For Individuals

(i) Learning is the key to developing our identity and our potential.

(ii) Learning to learn is the key to effective learning.

(iii) Learning enables us to meet the demands of change.

(iv) The capacity to learn is an asset that never becomes obsolete.

(v) Embracing learning helps us understand that learning is a great deal more than just formal education and training.

(vi) Learning increases the range of our options. Learning about our past can help us understand the present and prepare for the future.

(vii) Learning expands the horizons of who we are and what we can become.

(viii) The continuing desire to learn fuels curiosity and progress, and restrains prejudice and parochialism.

What Certain Key Terms Should—and Should Not—Mean

An explanation of what certain key terms should and should not mean is given in Table A4.

The Signatories

We never set out to say all there is to say on the subject of learning or to impose our views on others. Rather, we point to the richness and diversity of approaches to learning as an indication of its potential to achieve desirable transformations. Our goals are to stimulate discussion about the importance of learning and to resist the encroachment of narrow, dogmatic approaches that limit learning, in whatever context that they occur.

This declaration reflects the thinking of us all and our passion about the importance of learning. We offer it as a basis for dialogue and action.
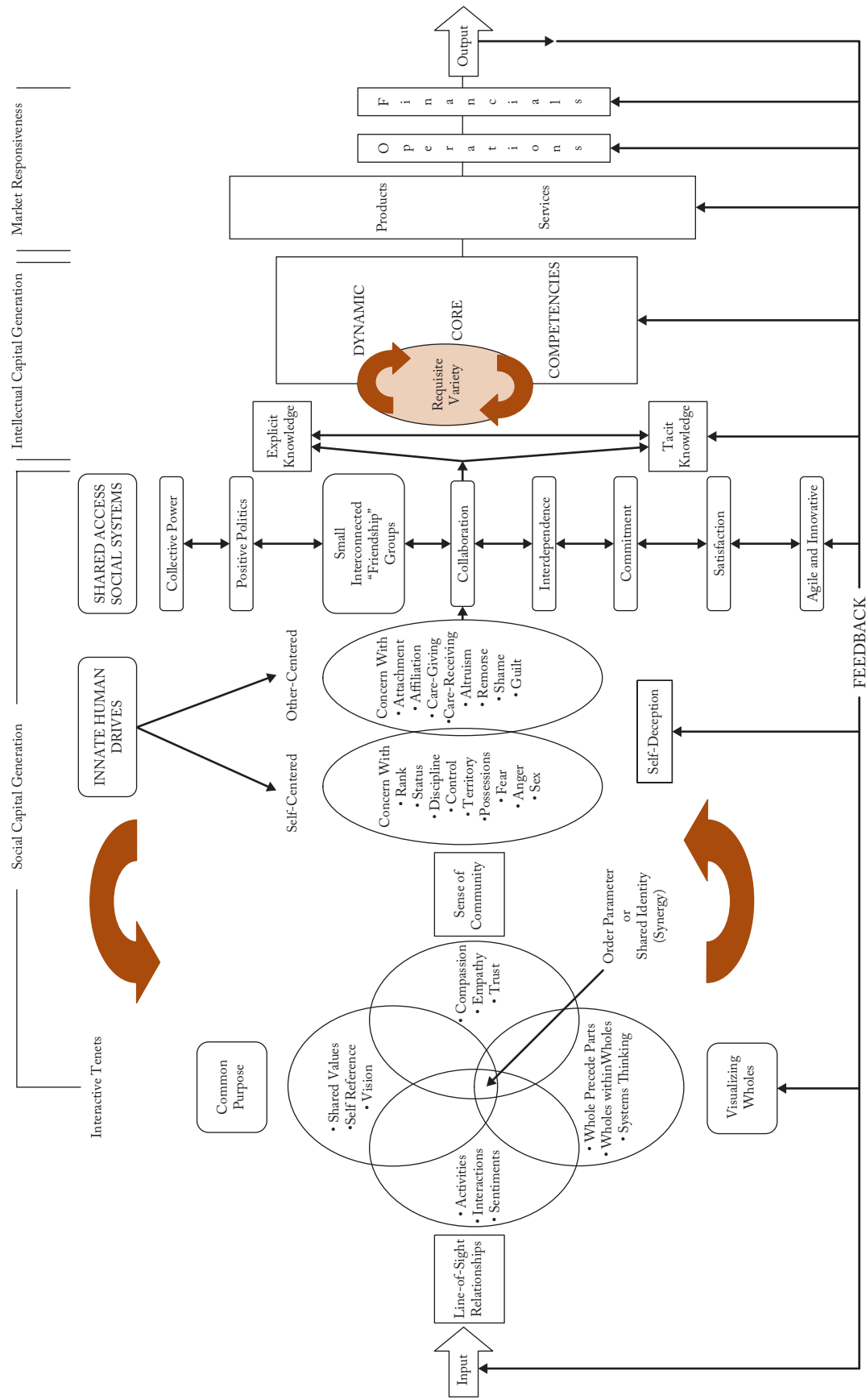
We, the signatories, are

(i) Margaret Attwood,
(ii) Tom Boydell,
(iii) John Burgoyne,
(iv) David Clutterbuck,
(v) Ian Cunningham,
(vi) Bob Garratt,
(vii) Peter Honey,
(viii) Andrew Mayo,
(ix) David Megginson,
(x) Alan Mumford,
(xi) Michael Pearn,
(xii) Mike Pedler, and
(xiii) Robin Wood.

Table A4: Meaning of Key Terms

Term	Should Be	Should Not Be
Lifelong Learning	A learning approach to all life and work experience, using formal education and training as a last resort	Ongoing compulsory formal learning events and monitoring against competency requirements
Open Learning	User-friendly learning opportunities minimizing constraints of time, place, cost, access, content, and process	Repackaged and recycled correspondence and distance learning packages
Learning Society	A society in which individual and collective natural learning is a way of life and a major dynamic in social processes, encouraged and supported by formal education and training provision	A monopolistic takeover by the institutionalized education and training industry
Learning Organization	An organization which promotes learning and sharing, supported by values, processes, and investment, to enhance its capacity to create its own future	An organization that regards training as the only legitimate mode of learning
Self- and Personal Development	A liberating and emancipating process for individuals as employees and citizens	Self-subjugation, discipline, and enforcement of conformity to corporate and state norms

Generating, Capturing, and Leveraging Intellectual Capital

Market Responsiveness

Intellectual Capital Generation

Social Capital Generation

Interactive Tenets

Output

F i n a n c i a l s

O p e r a t i o n s

Products

Services

DYNAMIC   CORE

Requisite Variety

COMPETENCIES

Explicit Knowledge

Tacit Knowledge

SHARED ACCESS SOCIAL SYSTEMS

Collective Power

Positive Politics

Small Interconnected "Friendship" Groups

Collaboration

Interdependence

Commitment

Satisfaction

Agile and Innovative

INNATE HUMAN DRIVES

Other-Centered

Self-Centered

Concern With
• Attachment
• Affiliation
• Care-Giving
• Care-Receiving
• Altruism
• Remorse
• Shame
• Guilt

Concern With
• Rank
• Status
• Discipline
• Control
• Territory
• Possessions
• Fear
• Anger
• Sex

Self-Deception

FEEDBACK

Sense of Community

Order Parameter or Shared Identity (Synergy)

Common Purpose

• Compassion
• Empathy
• Trust

• Shared Values
• Self Reference
• Vision

• Whole Precede Parts
• Wholes within Wholes
• Systems Thinking

• Activities
• Interactions
• Sentiments

Visualizing Wholes

Line-of-Sight Relationships

Input

Source: Ehin, C. 2000. *Unleashing Intellectual Capital*. Boston: Butterworth–Heinemann.