THE ROLE OF LEARNING ORGANIZATIONS IN THE GROWING DISCUSSION ON SOCIAL RESPONSIBILITY

Mark Esposito

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THE ROLE OF LEARNING ORGANIZATIONS IN THE GROWING DISCUSSION ON SOCIAL RESPONSIBILITY

Dr. Mark Esposito
Grenoble Ecole de Management

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ABSTRACT – What is the debate on Learning Organizations all about? In this paper we propose to demonstrate that the necessity to adapt to the socio-economic changes that have been transforming the way we think, live, learn and work over the last twenty years, makes of learning a condition of survival for any organization, whether individual, company, school or nation. More, knowledge is actually becoming the principal value of reference in the new business model, and beyond business, may well prove to be the so-far elusive key to human peace and harmony. The need to learn is therefore no more in question than human beings’ ability to learn. But how can one overcome obsolete yet powerful habits and regulations, and become a strategic, real-time Learning Organization? How can people forget their stifling Industrial-Era education and recover their natural strive to reach fulfillment at work, and how can their learning be aligned with the needs of the communities in which they function? How can organizations’ learning be synergized to lead all involved towards higher levels of awareness? We suggest that these “how” questions really are the fundamental issues, which political leaders, researchers, business people and educators must strive to address fast, lest many will fall behind and the “Knowledge Divide”, so much more important than the widely talked-about “Digital Divide”, will continue to widen.


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2 This paper has been edited and updated from a work published in 2006, by Esposito, Michelet, Kopcsan and Ritzel, from the Prasena Thinktank in Thailand and appeared on the International Journal of the Academy of Executives & Administrators Volume 1, Number 8, United Kingdom
Introduction

The purpose of this paper is to raise the reader’s awareness with regards to the huge changes the so-called “new technologies” have brought to human beings over the last twenty years, transforming the way we think, live, learn and work so fast and so deeply that accelerated change has become the only reliable reference in today’s socio-economic world.

We will demonstrate that in order to remain viable over time within this fast-changing environment, all organizations, be they public or private, small or large, for profit or not-for-profit, whatever their location and their activities, must fulfill the same five conditions. And these conditions require a total revamping of everything that makes the organization, from its business model down to the way its employees are working every day. In other words, to become a “Learning Organization” is no more a “nice-to-have” option (if it has ever been so) but a must for the survival of any organization. It is not something to “plan” for or “prepare” for in a vague future, it is something that must be today.

But we will also reflect on the meaning of the term “Learning Organization”. Aren’t we all learning organizations already? Indeed we are, since it is in the human nature to learn, adapt and progress. The point is therefore rather to become a faster, better learning organization. We will suggest that learning and knowledge were so far taken for granted, and as such, neither managed as a resource nor integrated and utilized to develop the value we need to survive and succeed. How to do this is the challenge that faces all of us today.

1- Socio-Economic Changes

To understand the impact of change on organizations requires not only the identification and study of the major change factors, but also the acknowledgement of what is an organization.

We define an organization as any entity that has:

- A strategy (objectives, and an idea of how to get there)
- Activities (processes with inputs and outputs) that are guided by the strategy
- Resources (financial, technical, natural, human and knowledge) to conduct these activities.

It is remarkable to observe that by this definition, an organization may be an individual person as well as a structured community, a company, a university, a government agency or even a nation. Such an observation leads us to realize how artificial are the walls that have been traditionally erected between the social and business worlds, between private and public, for-profit and not-for-profit organizations.

In today’s reality, all organizations are facing the same challenges; all must fulfill the same conditions to survive.

Although the terminology and/or categorization used may differ, most thinkers of the later part of the 20th Century and the beginning of the 21st Century tend to agree on the change factors that are having the greatest impact on socio-economy, on business, but also on our way of life and indeed on all aspects of our lives.
<table>
<thead>
<tr>
<th>Change Factors</th>
<th>Impact on People</th>
<th>Impact on Technologies</th>
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<tbody>
<tr>
<td>Globalization</td>
<td>Think and act with a global mindset</td>
<td>Ensure that the infostructure can be accessed and used anywhere at anytime</td>
</tr>
<tr>
<td>Molecularization</td>
<td>Empower employees, clients and partners</td>
<td>Ensure that infostructure components are autonomous, compatible, customizable, and reusable</td>
</tr>
<tr>
<td>Reintermediation</td>
<td>Enable direct working relations at all levels</td>
<td>Ensure that the infostructure is web-enabled and allows direct and immediate relations between users and partners</td>
</tr>
<tr>
<td>Internetworking</td>
<td>Be part of inter-linked business networks and e-communities</td>
<td>Ensure that the infostructure is integrated within itself and with external networks</td>
</tr>
<tr>
<td>Immediacy</td>
<td>Work on real time basis, and be ready for change at all times</td>
<td>Ensure that the infostructure enables real-time work, and provides efficient support at all times even through technological migrations</td>
</tr>
<tr>
<td>Digitalization</td>
<td>Convert data, information and transactions to digital form</td>
<td>Ensure that the infostructure is the organization’s collective digital memory</td>
</tr>
</tbody>
</table>
### Change Factors

<table>
<thead>
<tr>
<th>Change Factor</th>
<th>Impact on People</th>
<th>Impact on Technologies</th>
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</thead>
</table>
| **Virtualization**  
Tendency of any entity/activity/technology to function in virtual reality, that is in such a way that performance does not require physical presence. | Conduct work without physical presence | Ensure that the infostructure is the virtual version of the entire organization, and supports virtual work |
| **Innovation**  
Tendency of any entity/activity/technology, freed from menial tasks by the virtue of other cyber-characteristics, to produce ever more new ideas that may lead to concrete innovative applications | Use creativity to innovate and change ways of working | Ensure that the infostructure is innovative in nature and stimulates creative work |
| **Knowledge**  
Tendency of any entity/activity/technology to become more and more knowledgeable, through own development and through greater access to others’ knowledge. Information, knowledge and ideas become the key economic resources | Stimulate and integrate information sharing and knowledge development at all levels | Ensure that the infostructure captures and supports the development of human capital |

An over-simplified summary of these factors could be as follows:

Through the use of the universal digital alphabet and digital and networked technologies that enable direct communication and transactions with no space or time barriers, traditional frontiers based on geography, culture, religion, age, gender, status, wealth and other such criteria are disappearing. All entities find themselves in a global world, in which however each individual entity (person, community, company, nation…) can be heard and have a global impact, as well as choose the networks and communities to which it wants to adhere. In such a world, traditional strengths are greatly overcome by what is really making a difference: knowledge, ideas, networking, and speed.

The scope of these changes is such that it is not exaggerated to say that the 300 year-old “Industrial Era” is coming to a close, and that we are entering a new era, wherein our world will be very different from what it was until the end of the 20th Century.

### 2- A New Organization Model

In this new world, the concept of organization itself is changing. In a hectic global environment, today’s financial performance does not mean sustainable viability any more, and tangible assets as well as stocks (shares) are proving to be unreliable references to assess the value of an entity, whereas intangible assets such as knowledge and ideas emerge as more reliable indicators of an organization’s capacity to remain competitive over time.

The organization therefore needs to evolve from a big machine to a creative thinking brain.
The role of Learning Organizations in the growing discussion on social responsibility

In this context, size and seniority are no more the strengths they used to be, but rather potential obstacles in the race towards adaptation to change, more knowledge and better ideas. The real strengths of an organization are becoming its agility, its ability to syndicate knowledge workers to build and develop its human capital, and its capacity to use this new asset to generate the economic, social and environmental value it needs to remain competitive.

No organization is unaffected by these phenomena. Numerous cases over the last few years have demonstrated that although many companies try to resist through mergers and acquisitions, size does not protect from change. Neither does a purely local scope of activities. Neither does a monopoly status, such as that which governmental agencies typically enjoy. At most, well established traditional strengths can put off the unavoidable… for a little while.

Because of its universality and simultaneity, this huge wave of change affects all of us in the same way, wherever and whoever we are, for the first time in our history. But our reactivity widely differs and this is why, in this transition period, all imaginable scenarios exist. Location, size, type of activity, do not really make the difference – mindset, corporate culture, management style do.

2.1. New Challenges for Corporate Leaders

Indeed, within the new organization model, corporate leaders find their job completely overhauled – and not at all easier:

- Whereas it did not require much work to impose upon a mostly mono-national, disciplined workforce, a corporate culture derived from the dreams and values of the small homogeneous group of people who traditionally kept the organization in a firm grip, the task is immensely more challenging when it comes to identifying, and ensuring adhesion to common vision and values among a decentralized, multinational, fluid team of highly diverse and empowered knowledge workers

- Business strategy has always been leaders’ most difficult job, the job that justified their existence and high pay. It probably still is so, with the added difficulty that to be meaningful, corporate goals can no more be restricted to pure financial growth or market positioning indicators, but must also integrate the notion of value, generated by the value network for the environment

- Whereas in a stable, compartmentalized business world where market players were short-term performance oriented and egocentric, the number of entities that could influence an organization and the extent of cooperation with them were kept to a minimum, the situation changes drastically in a fast-changing global and creative environment where, for example, traditional competitors become “coopetitors” but aggressive competition can emerge out of nowhere; the identification of the value network, the determination of what should be the organization’s positioning in its environment, and the design of governance rules are becoming real hard work – and one that needs to be reviewed regularly

<table>
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<th>Economic Assets of Reference</th>
<th>Industrial Era</th>
<th>New Era</th>
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<tr>
<td>Organization</td>
<td>‘Big machine’</td>
<td>Creative thinking brain</td>
</tr>
<tr>
<td>Competitive Advantage</td>
<td>Size</td>
<td>Human capital</td>
</tr>
<tr>
<td>Success Indicator</td>
<td>Short-term profitability</td>
<td>Sustainable development</td>
</tr>
<tr>
<td>Employees</td>
<td>Quasi-mechanical components valuable as a workforce</td>
<td>Individual ‘neurons’ valuable as fluid teams of knowledge workers</td>
</tr>
</tbody>
</table>
Similarly, although monitoring is an old notion, it becomes so pervasive and sophisticated, with Key Performance Indicators touching upon all aspects of the organization, that leaders can no more pretend it is their subordinates’ job.

The approach to corporate resources is also becoming more sophisticated. In particular, people and technologies, so far considered as mere fixed costs that should be controlled, acquire a new dimension since they are respectively the source and the host of the human capital. Indeed, in addition to money, people and technologies, a new corporate resource emerges: knowledge.

Finally, while performance continues to be a key survival factor for any organization, business leaders need to look beyond it and reach for sustainable development – a much more complex and elusive goal forcing leaders to not only look at how their organization can profit from its environment, but also how it can benefit its environment.

2.2. NEW CHALLENGES FOR CORPORATE RESOURCES MANAGERS

Leadership is not the only corporate role to be affected. Corporate resources management too takes on a whole new dimension. In a ‘machine’-like organization, all resources – even people and money – were considered as quasi-mechanical components that, put in the proper place and appropriately activated, would produce in line with expected standards. Leaders demanded uniformity and discipline, and strived to reduce the costs, increase the yield.

By opposition, in a ‘brain’-like organization, each resource (individual person, technology, dollar) has a unique value. Leaders must invest in identifying this value, enhancing it, developing it, and creating a synergy between diverse and creative resources to propel the organization towards new heights of performance.

Moreover, beyond performance, the close partnership between resources enables the creation of a new one – knowledge. This resource, once owned by the organization, becomes an asset (human capital) that is the key to sustainable competitiveness.

Clearly, the role of resources managers must undergo a profound transformation to catch up with what is now expected of their wards. If merely administering resources was enough when nobody cared to look at individual particularities, administration today becomes the least significant part of resources management, which must now cater to individual, organizational and strategic needs.
Traditionally considered as “cost centers”, “support functions” – in other words a burden for the organization, resources management functions (and particularly HR, ICT, and now Knowledge) must become full-fledged business partners represented in the executive committee, and their huge respective and joint influence on the organization’s destiny must be recognized.

Most importantly, the traditional compartmentalization within the organization must disappear, since only the synergetic utilization of all resources together can really make the difference, both at performance and at sustainable competitiveness levels. Finance, HR, ICT and Knowledge Managers must learn to cooperate, use the business language as the way to communicate among each other, and work together on an on-going basis.

2.3. NEW CHALLENGES FOR EMPLOYEES

Last but not least, the role of employees themselves changes entirely.

In 1999, a new entry in the Great Dictionary of Terminology introduced the notion of “Knowledge Worker” and explained its importance: “Person specialized in the research, analysis, management and communication of the information relevant to decision-making or knowledge management, and who uses information technology systems developed for this purpose”. Note: “Knowledge Workers belong to the category of intellectual workers, or, in economic terms, to the category of quaternary sector workers. They possess the organization’s knowledge and therefore have the capacity to innovate. As they often are highly qualified or experienced, they can be assigned roles related to strategic watch, decision-making, professional training, etc. The Internet, data analysis software, data mining software are as many tools that have contributed to the emergence of this new worker’s profile and to a restructuring of work within organizations. Often associated with information workers, knowledge workers are different in that they go beyond the information production and processing. They are in fact participating in knowledge development. According to current analyses, knowledge workers are expected to dominate the labor market in the third millennium”.

Hence, within less than a generation, we have expected working people to transform themselves from machine components to knowledge workers. It is obvious that our education systems, unprepared and still unsure of the direction we are flying towards, have had no time to catch up. Still today, most education institutions shape our children into uniformed, disciplined industrial workers whose creativity is stifled as early as possible and who are told that learning is over by the time they pass from
school to the working world. Although ICTs are used in some schools, they are far from being integrated parts of the learning and teaching processes.

This leaves multi-personal organizations with the heavy task of educating or re-educating their employees, young and old alike, to rekindle their eagerness to learn and their creativity, to awaken their self-consciousness and the recognition of their unique value, and to guide their development in a direction that fulfills both the individual’s aspirations and the organization’s needs.

As contrary as it may seem to what is observed in today’s business world, the commitment between employees and employers should therefore be much greater than ever before. But the organization must demonstrate its long-term commitment to its employees in order to win their trust and commitment in return – not the opposite.

2.4. Five Conditions for Survival

For an organization to survive change, and, better even, to profit from it and ensure its success in the emerging new world, it must therefore fulfill five conditions. These conditions are as follows:

- It must have a strong and enlightened leadership, capable of guiding the organization beyond short-term performance, towards sustainable development
- It must recognize the value of each of its corporate resources, and manage these resources at strategic level in an integrated way so as to create and develop the human capital that is becoming the single most precious asset of any organization
- It must develop a close and strong partnership between people and technologies so as to secure the levels of performance required not only to survive today, but also to generate the value that will ensure sustainability
- It must stop being egocentric and turn itself towards its external environment because nobody can function alone in a global world. It must therefore acknowledge its clients, but also the suppliers, competitors, partners, media, universities, communities that constitute its value network, and integrate them at all levels in its activities
- It must deliberately design the combination of brick-and-mortar and virtual structures, and the configuration thereof, that will best stimulate the motivation, learning and performance of its resources.

This brief review of the on-going socio-economic changes’ impact on organizations, and of the ensuing conditions any organization must fulfill to survive today, leaves no doubt about the vital role that Knowledge is increasingly taking in all aspects of life.

It may be appropriate at this stage to note that we certainly do not imply that Knowledge was not important for human beings so far. In fact, this whole wave of change, although it does lead to the unfolding of a new socio-economic era, is in no way a revolution that would destroy or deny what was and start afresh with entirely new concepts. It is instead but the fruit of a natural evolution, which, by virtue of the digital and networked technologies, has greatly accelerated over the last 20 years. The challenge we all face today is therefore in the simultaneity and universality of change rather than in its nature.

For example, although Globalization is mentioned as one of the nine main change factors, our world has been global for millennia, as is more and more clearly demonstrated by historians and economists. No social, economic or other event anywhere has ever occurred without direct causes in – or at least profound influences from – elsewhere in the world, and in/from the evolution of the global socio-economic system. However, it was taking a long time for such influences to be felt, as long as it took for men to walk or ride or sail to the other end of the world. Awareness of globalization was not necessary at individual level. In addition, globalization in that sense mostly had a geographical meaning.
Today, awareness of globalization and of its multiple dimensions is necessary, because technologies are now making the whole world accessible to us at the touch of a button. The impact of any individual (whoever he or she is) can be immediate and simultaneously universal – we need to recognize this fact and act accordingly.

Similarly, Knowledge and Ingenuity are no new concepts, far from it. Ancient Chinese’s extraordinary creativity and their remarkable education and recruitment systems have been very instrumental in ensuring their great economic power for millennia. However, for very long knowledge has been the affair of an elite, and power was associated with access to exclusive, confidential information channels. Knowledge was distilled to the people after careful filtering and manipulation, knowledge providers were few and their respective roles well identified (parents, teachers, clergy, bosses, governments).

Instantaneous worldwide information channels and particularly the Internet have democratized knowledge, with effects on societal models and power structures that we are yet to fully appreciate. But the economic impact is already obvious. All recent analyses tend to demonstrate that value is associated more and more closely with knowledge. A product cannot be sold at a good price if it is not customized and accompanied with pre-sales and after-sales services. Smart products which are designed with the input of the clients and all other parties involved, and which evolve or change constantly in line with the environment and the client’s needs, are those that are most successful.

But knowledge is a strange asset, which value increases with its sharing. The more you share your knowledge, the richer you become. This rule is so contrary to what we were used to with tangible assets that it has become the object of endless contentions, especially in the Western world, where intellectual rights protection is a pillar of business. Unfortunately, intellectual rights protection as it is currently understood also leads organizations and people to be egocentric, reluctant to work with others and afraid of exchanges that they believe might deprive them of what they know.

Recent technological developments are increasingly proving these laws and mindsets obsolete. In addition, in a fast-changing world where you cannot leverage forever on one specific product anymore, but you need to open yourselves to new ideas, nobody, as deep as they may have gone into their area of specialization, has the ability to function alone – because expertise must be wide as well as deep, and it must be flexible. This type of expertise can only be acquired by accessing others’ knowledge, and by building together upon shared knowledge. This is why it is said that value today is generated by an entire value network rather than by an organization – not to mention an individual – alone.

In this perspective, if we define “Learning” as the process of acquiring and/or developing usable knowledge, all human beings, individually and in communities, must become strategic, real-time learning organizations:

- They must expect, identify and understand change in real time so as to adopt, flexibly and timely, new paths towards long-term objectives, in order to ensure their sustainable viability
- They must acquire useful knowledge in real time and assemble it in a unique combination from which the society can benefit, in order to optimize their market value
- They must update in real time what they know in an environment where expertise becomes fast obsolete, in order to remain employable (individuals) or competitive (communities)
• They must monitor in real time the evolution of mindsets, views, ways of life and developments and use it as a source of inspiration for new ideas, in order to reach success

• They must share what they know in real time, in order to generate social value and simultaneously increase the scope of their own knowledge

If the need for all of us to be(come) learning organizations is undeniable however, is it certain that all of us are really convinced that “all of us” means them too? Are all of us aware of what is at stake? And if we are, are we really motivated to overcome the weights and obstacles facing us in the process of learning?

3- Learning and Awareness Development

Psychologists, sociologists and medical scientists today all agree that the level of awareness of human beings varies depending on a variety of factors, most of them environmental. Don Edward Beck for example, in his “Spiral Dynamic Model”, postulates that there are eight levels of awareness. Interestingly, the highest awareness level he mentions, so far unattainable by all but maybe a few exceptional beings, reflects precisely what thinkers believe networked technologies should bring within the reach of all human beings.
Realistically however, we are still very far from this happy state. In fact, if a certain proportion of the world population today, helped with physical, material, educational and mental comfort, probably reaches Beck’s fifth or sixth awareness level, many unfortunately must withdraw to the first or second level in order to survive in extreme conditions.

But we must here stress that the concept of “Learning Organization” relates to a dynamic process and not a state of being. When talking about learning, results – ephemeral since they are instantly obsolete – are of much less importance than the process of acquiring knowledge. The old expression “a well-learnt man”, never really appropriate, has become totally irrelevant: one can never “be learnt” when there is always something new to learn. If we were looking for “learnt organizations”, we would have to constantly acknowledge failure. But looking for “learning organizations”, the picture is different.

In all human beings, the motivation to act has two powerful engines: fear and dreams. More precisely, fear of losing what we have, and dreams of what we do not have yet. These two engines, always associated although fear often dominates, have ensured human dynamism ever since the dawn of time.

People whose awareness is at Beck’s first or second level fear for their life, because that is the only thing they have. Their main motivation to act will be to protect the vital minimum – physical security, food, shelter, health. If such vital minimal is secured however, they will look forward and yearn for more. They will strive to reach comfort.

People whose awareness is at Beck’s third or fourth level usually take vital minimal for granted, but fear for their comfort. Their main motivation to act will be to protect their assets, their social status, their power. If these are secured however, they will look forward and yearn for more. They will strive to reach freedom.

People whose awareness is at Beck’s fifth or sixth level usually take life and comfort for granted, but fear the loss of the freedoms they treasure. Their main motivation to act will be to protect these freedoms – to believe, to think, to speak, to move, to choose – and in some cases, may even give precedence to freedom over comfort. If their freedoms are secured however, they will look forward and yearn for more. They will strive to reach harmony through holistic awareness.
Hence human beings never are in a stand-still. Whether they realize it or not, they endlessly learn, because nothing – even life – can be taken for granted, and both the protection of what they have and the endeavor to progress require the constant development of knowledge.

It can therefore be safely assumed that:

- The need for all organizations to be “learning organizations” is undeniable
- Learning is as much a survival instinct as a deeply rooted progress tool in all human beings, whatever the level of their awareness

Remains a question, which we believe touches the heart of the problem: have multi-personal organizations (companies, schools, governments…) so far consciously acknowledged the importance of learning, have they really supported personal motivation, have they ensured the alignment of individual employees’ development and the needs of the community?

Most organizations so far can but plead guilty on all counts.

4- Competencies Management and Aligned Motivations

In Industrial-Era machine-like organizations focused on short-term results, employees were hardly ever considered as individual beings with personal aspirations. They were instead considered as components of a “workforce”, an indistinct mass of interchangeable muscles and skills that was expected to conduct specific tasks, and monitored accordingly. In such an environment, the HR management’s responsibility was to motivate employees to demonstrate discipline and obedience, to respect the hierarchical chain-of-command, and to perform in line with set standards.

To activate the “dreams” motivation engine was not an option in this scenario where nobody had the vision of what the organization could expect of / give to the employees in the long term, and where personal aspirations were neither considered nor even identified. Motivation was therefore based on fear – fear of losing opportunities, status, revenues or even the job itself.

This does not mean that employees did not learn. In order to survive and succeed in their organization, they did need to acquire and develop the social skills to handle internal politics and red-tape, to know when not to speak, to ensure that the boss could take credit for his subordinates’ work, etc. They also needed to develop the technical skills related to their organization’s activities, and to deepen their expertise over time.

They however had no choice but to dissociate personal fulfillment from work. It had indeed been made clear to them ever since school that their dreams were not relevant in the working world and that they should become part of the system and achieve success (i.e. money) by growing within it. Those who insisted in keeping their creativity and pursuing their own dreams in the professional arena were considered as originals and seldom had a place in mainstream organizations. Most learnt to strive for personal fulfillment outside work – hence the huge development of what came to be called “hobbies” over the second half of the 20th Century.

When organizations need to become creative thinking brains however, the situation is very different. As key resource themselves and source of another resource (knowledge), generators of the value that secures the organization’s sustainability, employees become long-term strategic investments for their employer. Each individual employee’s unique set of competencies and knowledge must be identified to be utilized, and it becomes of a vital importance for all that each person develops such competencies and knowledge.

Accordingly, the responsibility of HR management with regards to motivation changes drastically. The point is today to motivate employees to think, create, learn, network, perform and proactively contribute to ensuring sustainable competitiveness.

In such a scenario, it is in the organization’s interest to encourage the fulfillment of each employee’s personal aspirations at work, since it ensures commitment, retention, and motivation to go beyond
simple standard performance. Hence the “dreams” motivation engine becomes the main HR management tool.

Such transformation does not occur overnight; but much progress has been done already: organizations around the world have started to introduce performance management systems over the last two decades, and mindsets have had the time to adapt. It seems now natural for the majority of organizations to put the focus on objectives and results, rather than on procedures. Corporate planning becomes a real function, KPIs are used to ensure integration of objectives, corporate values and governance rules appear and serve as guidelines for employees left freer to choose how to achieve their targets. Results rather than presence are monitored. Positive motivation is ensured through rewards that are tangible (variable performance pay) and intangible (empowerment, excitement, individual recognition).

Years of performance management practice helped organizations realize that performance is but the efficient utilization of demonstrated competencies, and that the optimization of performance therefore requires the identification, evaluation, development and alignment of each employee’s competencies – hence the recent introduction of competencies management systems. Although less than 25% of organizations today use such systems, the trend is already clear and irreversible.

Based on the realization that it takes time for people to learn and change, competencies management basically moves the focus of HR – and strategic – management from today to tomorrow. It puts such activities as resources acquisition and development in the perspective of the organization’s development and its future needs, and is therefore used for both person development purpose (recruitment, career path, promotion, person training and development) and organization development purpose (restructuring, succession, divestment, training policies, corporate values, organizational strengths development). It makes organization and employees work together for the future, which can be done only if both organization’s future and person’s future are taken into consideration. It therefore leads the organization to take a genuine interest in each employee’s personal aspirations and to strive to find optimal alignment. Promotions become no more just a way to acquire money and/or power, but also a way to increase personal value and a step towards personal fulfillment – so much so that horizontal transfers or even assignments in lower grade positions may be seen as true promotions in this longer perspective.

Competencies management is also a powerful engine for mindset change. The necessity to design its own Dictionary of Competencies (core tool of the system), that is to determine the list of competencies which are necessary for its survival and sustainable competitiveness, leads the organization to question itself, its culture and values, the way it works, and what really constitutes its strengths. The set of competencies it selects carries in itself a strong message to its employees (and its management), reinforced by the policies that will be adopted to ensure availability and development of these competencies.

An organization may have talked about innovation for years without really taking any efficient action to concretely stimulate it, but if innovation appears in the Dictionary of Competencies, it will be automatically integrated in training policies, reward and recognition systems, development programs, etc. It becomes clear to all that innovation is valued, required, recognized and rewarded. Existing employees will be encouraged to awaken their imagination; creative people will be attracted to join the organization. Innovation will become an effective part of the corporate culture and will be demonstrated through employee and organization performance.

The same remark is valid for initiative, empowerment, people development, life-long learning, technologies integration, knowledge sharing, business intelligence, partnership with suppliers/customers, social/environmental responsibility, and other such ideas that, as crucial as they may increasingly be, have so far been the object of much talk and little concrete action.
Examples of Competencies in an Organization’s Dictionary

<table>
<thead>
<tr>
<th>Competency</th>
<th>Definition</th>
</tr>
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<tbody>
<tr>
<td>Customer Partnering</td>
<td>Ability to build and maintain a long-term ‘win-win’ cooperation with customers</td>
</tr>
<tr>
<td>Knowledge Management</td>
<td>Ability to actively contribute to the collective memory, and to draw upon it in return whenever needed</td>
</tr>
<tr>
<td>Life-long Learning</td>
<td>Ability to seek out and acquire existing and/or new knowledge that can contribute to personal growth and to the fulfillment of the company’s ongoing and changing needs</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Level 2</th>
<th>Level 3</th>
<th>Level 4</th>
<th>Level 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfaction for renewed sales</td>
<td>Cooperation for more revenues - Clarify customers’ current needs, and adopt cooperative approach to develop adapted solutions, leading to higher-value sales</td>
<td>Partnership for more profits - Detect customers’ evolving needs, and drive development of partnerships for the purpose of defining and fulfilling these needs together, leading to higher value and profitability</td>
<td>Life-long partnership for sustainability - Initiate high-value life-long partnerships with customers with customers’ involvement in organization’s strategic and solutions developments, leading to sustainable competitiveness</td>
</tr>
<tr>
<td>Ability to share and use knowledge - Recognize value of sharing knowledge, record own work outputs and store where easily accessible by others, use available information instead of reinventing the wheel</td>
<td>Adapt and search - Recognize value of collective body of knowledge, adapt own work outputs to make them easily accessible and accessible by others, proactively search for information that may be valuable to own work</td>
<td>Widen and stimulate - Recognize value of interdependence, actively contribute adapted work outputs as well as other information of general interest to collective body of knowledge, take opportunity of own needs to stimulate others to contribute</td>
<td>Transform and guide - Recognize value of knowledge as a corporate resource, stimulate development of collective body of knowledge and guide its transformation into valuable human capital</td>
</tr>
</tbody>
</table>

In light of the above, we suggest that there is a correlation between the idea of “Learning Organization” – in the sense of an organization that, conscious of the importance of learning for its survival and sustainability, strives to achieve strategic and real-time learning through people learning and organizational needs alignment and integration – and the concept of competencies management. In fact, the latter is a stepping stone for the former: an organization can simply not become a “Learning Organization” if it does not manage its competencies.

Yet, competencies management is not quite enough. If it enables the organization to identify what it needs to know and what its employees know, if it also provides guidelines for ensuring the harmonious synergy between individual and organizational efforts towards their respective and common aspirations, remains the need for the organization to evolve from a community of learning individuals to a learning entity in its own right. The fulfillment of this need requires knowledge management.

5- Knowledge Management and Human Capital

If the concept of knowledge management is so recent, it may be because organizations did not recognize knowledge as a resource to be managed, but it is also – and most importantly – because it was concretely impossible to do. Indeed:
• There is no knowledge without source. People, as source of knowledge, therefore represent the
first key component of knowledge management. Whether internally or externally, they have
always been available, if not deliberately activated.

• There is no useful knowledge without way to capture it, to store it, to share it, to deliver it – on
real-time and universally. Technologies, as carriers and repository of knowledge, therefore
represent the second key component of knowledge management. But if digital technologies had
offered easy storage and the universal alphabet that enabled global multi-media communication,
we had to wait for networked technologies (particularly the Internet, emails, and the like) to
acquire the capacity to activate such global and real-time storage and communication. In 1999,
books were written on knowledge management but were still acknowledging that it was a thing of
the future.

Around 2000 appeared the first knowledge management-friendly solutions. The last 5 years, with the
popularization of networked technologies, hence marked a definite shift symbolized by the nickname
rightfully given to the Internet – “The Great Equalizer”.

Today, any organization, whatever its size, location or financial means, has the capacity to develop an
infrastructure that includes at least:

• A local network linking people in the same physical location;
• An intranet, or network linking people from the same organization, wherever they are;
• An extranet, or network linking an organization with other organizations or people;
• Access to the Internet, the network that links anybody anywhere with the entire world.

These networks enable the sharing of
knowledge, transactions, applications and devices on a real-time basis; they
support digital libraries containing
written, verbal and/or visual
information, databases containing
data that can be processed and
integrated, applications and expert
systems supporting work processes
and transactions, asynchronous
communication platforms such as
e-mails and blogs, and synchronous
communication platforms such as
chats, MSN or virtual conference
systems.

Thus enabled, knowledge
management still needs to be fed with
three vital nutrients:
• The will (mindset)
• The means (resources)
• The skills (ability to contribute, to manage…)

In other words, Knowledge must be recognized as a corporate resource that must be invested in,
inventoryed, utilized and developed.

Contrary to common misconceptions, the management of knowledge as a resource does not aim at
developing people (a responsibility that lies with HR management), but rather at acquiring and
developing an intangible asset, which must have a value contributing to the organization’s market value
and its competitiveness.

Indeed, if tacit knowledge is made explicit, if it is recorded in a usable manner in databases, digital
virtual libraries, expert systems, or at least in virtual workspaces, if all these repositories of knowledge
are integrated to enable data-mining, and if the integrated whole (knowledge center) is easily accessible to all concerned, then this knowledge becomes an asset in its own right.

Knowledge contents may come from within or outside of the organization; they may be unique or be part of the common knowledge. But the combination of all these knowledge contents within the knowledge center is unique. It belongs to the organization and has a value as long as it is valid, usable and up-to-date. It is called “Human Capital” or “Intellectual Capital”.

To maintain and develop this value, and to ensure that it contributes to its overall economic value (market value, competitiveness), the organization must continuously update and develop its human capital. This provides the guidelines for its learning process.

Interestingly, the development of an organization’s human capital provides an answer to a question many have been asking over the last few years, as the concept of sustainable development started to gather momentum: how can an organization produce social and environmental value without losing economic value?

The answer is logical. No value can be created from scratch at no cost. And as long as it is believed that social and environmental value cannibalizes economic value, organizations (especially stand-alone organizations which cannot count on philanthropist donors) will not willingly adhere to the concept of sustainable development – even if it costs their existence in the long run. Social and environmental value must be the result of leverage; it must be a side-effect of economic value. And this can happen thanks to human capital.

Since knowledge is the only resource that retains (or even increases) its value even after it has been given (or sold) away, the organization finds itself with a bounty of valuables even after return on investment. The beauty of human capital is that it can be freely shared with those in need, used to help the society at large, without ever disappearing – it instead tends to increase its value as more people share the knowledge, give feedback and ideas, and contribute to update it and build on it.

As tangible assets had an economic value that had to be associated with such moral values as selfishness, egocentrism and isolation, knowledge has an economic value that is associated with
sharing, openness to others and sense of human community. As tangible assets were the wealth of people whose awareness was at Beck’s levels 3 to 5, knowledge is the wealth of people with higher awareness level – the people with holistic vision and a profound desire for global harmony amongst human beings, and between human beings and their environment.

Hence, we dare suggest that organizations that strive to introduce and practice competencies management and knowledge management are acquiring the key to become the true “Learning Organizations” they need to be to survive and succeed over time. But more than that, they earn the capacity to contribute to a better world, peaceful and harmonious.

Conclusion

Throughout this paper, we have adopted a certain number of assumptions, as follows:

A. We have defined “Learning” as the process of acquiring and/or developing useful knowledge.

- This means that a “Learning Organization” is an organization that continuously engages in such process – whatever the level of knowledge achieved so far.

B. We have defined “Organization” as any entity that conducts activities with the help of various resources and with the purpose of striving towards more or less long-term objectives.

- In this sense, an “Organization” may be an individual person as well as any organized community, including companies, schools, associations, government agencies and even nations.

- This means that a “Learning Organization” may be an individual person continuously engaged in the process of acquiring and/or developing useful knowledge. In the case of multi-personal organizations however, to be a “Learning Organization” requires not only that it be a community of learning individuals, but also that it be a learning entity in its own right.

On the basis of such assumptions, our analysis is that:

1. The on-going socio-economic changes are propelling Knowledge at the center of life. It is becoming the key value of reference.

2. The need for any organization (mono- or multi-personal) to be a “Learning Organization” is undeniable today, in our fast-changing, global, interconnected environment.

3. Learning being as much a survival instinct as a deeply rooted tool for progress in all human beings whatever the level of their awareness, and human societies (including multi-personal organizations) being but “vivi-systems” similar to beehives for example, it seems that to be a “Learning Organization” (as described above) is in fact inherent to the very nature of organizations. Organizations are indeed continuously engaged in the process of acquiring and/or developing knowledge. But,

- They are not always aware of the critical importance of life-long learning for their survival; their learning is therefore neither deliberate – structured, managed – nor directed towards the achievement of their long-term objectives

- Multi-personal organizations do not always know what their employees know; neither do they know what their own development needs are. Individuals’ learning is therefore not always aligned with the development needs of the multi-personal organization

- Multi-personal organizations, in their great majority today, may be communities of learning individuals but they are not learning entities in their own right

4. Consequently, it appears that when talking about “Learning Organization” (especially multi-personal organization), we should really mean an organization that is aware of the importance of learning for its
survival and sustainability, and deliberately engages in a strategic and real-time process of acquiring and developing the knowledge it will need tomorrow, by ensuring that individual employees learn what is necessary for the fulfillment of both their personal aspirations and the organization’s needs, that such knowledge is used to perform but that it is also captured, shared and transformed into a valuable human capital.

Very few organizations can claim today they are “Learning Organizations” if this more precise definition is used. And yet all organizations should be. Some steps have been reached in this direction, but much remains to be done, in particular with regards to competencies management and knowledge management. How to accelerate the process of introducing, practicing and building upon these two concepts in all types of multi-personal organizations is the daunting challenge that researchers, educators, business leaders and government analysts must face and win today.