

Formalizing the informal: ¹

From informal to organizational learning in the post-industrial workplace

Marilyn Laiken, Karen Edge, Stephen Friedman, Karima West²

ABSTRACT

In the light of current examples of reengineering, restructuring, mergers and acquisitions, some Canadian organizations in the public, private and not-for-profit sectors provide an environment for individuals and teams to negotiate effectively the kind of organizational change which has become endemic in today's workplace. A focus on informal learning through basic social processes contributes to employees' collective ability to move beyond simply coping with stress to engaging in creative action. A three-year research project, conducted between 1998 and 2001, located and studied, in- depth, four such organizations which were using organizational learning approaches to embed continuous learning within the actual work processes. While each of the cases presents a unique context, together they provide valuable thematic lessons in how to create working environments which contribute to both individual health and to organizational sustainability.

Formalizing the informal:

From informal to organizational learning in the post-industrial workplace

For over a decade, the concept of organizational learning has pervaded the lexicon of workplace learning and change. However, despite legions of books, articles, films, courses, conferences and complete professional and academic programs on the subject, the concept of organizational learning remains difficult to define, and even more difficult to implement in practice. Organizations attempting to integrate organizational learning principles lack specific examples of how these relatively complex notions translate into daily workplace experience.

We conducted a research project (1998-2001) to locate and study Canadian organizations that were using organizational learning approaches to embed ongoing learning within actual work processes - whether at an individual, team or strategic level. This research was intended to be a voice for workplaces in which the lives of clients or customers, employees and volunteers have been dramatically affected by new organizational forms. Our hope was that, by providing visibility to such "models" of organizational learning, the research would not only reinforce current best practices, but also demonstrate the potential of such practices across diverse work sectors, organizational size, and employee populations.

The study initially identified forty-two Canadian organizations which either self-reported or appeared in the literature as examples of those attempting to become or demonstrating features of a learning organization. Ten of these organizations agreed to participate in the research and ten randomly selected employees in each completed *The Learning Organization 5 Stage Diagnostic Survey* (Woolner, Lowy, and Redding, 1995). In response to this survey, five organizations self-identified at mature stages of development as learning organizations in the areas of individual, team and strategic learning.³ Of the five, four of these organizations – a medium-sized hospital, a large retail chain, a small not-for-profit government funded organization and a large electronics manufacturer volunteered for more in-depth study through individual interviews, focus groups and on-site observation.

Twelve primary codes and multiple sub-codes, which emerged from the resulting data, were used to analyze the transcripts from each organization, through an on-line

qualitative data analysis program. The results informed a narrative written about each of the cases, which was then integrated under common thematic headings to form the body of this chapter.

The data and analyses surfaced key thematic insights, but the research could be further informed by future studies that investigate larger sample sizes in relation to our findings. Additionally, since the data were extracted from work sites in the diverse and relatively wealthy urban setting of Toronto and environs, the area of inquiry could be expanded by parallel studies in different cultural and socioeconomic contexts. This might provide more heft to the claim that the ideas outlined here are in fact applicable across cultural and economic boundaries. Nonetheless, we are convinced that the results of the study presented in this chapter have critical implications for researchers and practitioners interested in creating cultures of continuous learning within organizational settings.

All four of the organizations represented in this chapter must be viewed in the context of the current turbulent workplace environment caused by globalization, restructuring, reengineering, mergers and acquisitions. Within this milieu of upheaval and transition, which has become endemic in the modern workplace, we were particularly interested in discovering what role informal learning might play in contributing to employees' ability to move beyond simply coping with stress to engaging in creative action, individually and organizationally. We were also interested in how these organizations might be embedding informal learning in their very structures and cultures, so that its benefits could be sustained beyond future changes in leadership. Finally, we were concerned about what *kind* of leadership would support and legitimize informal learning approaches and help make them part of organizational "memory", while simultaneously respecting the integrity of employee learning as valuable in its own right. This chapter will explore each of these issues in turn, demonstrating how our case workplaces have been able to create vibrant cultures of organizational learning, despite their late 1990s context characterized by a volatile, technologically oriented, knowledge intensive, globalized economy.

The Case Examples

The four organizations that comprise this research are identified with pseudonyms for purposes of confidentiality. However, all four are currently operating organizations in Southern Ontario, representing the private, health-care and not-for-profit sectors. They range in size from eighty to ten thousand employees, both unionized and non-unionized. The respondents represent a mix of gender, age, experience and roles within the organizations.

Wealthshare is a non-unionized, not-for-profit grant-making organization that was established in 1982 as an arm's length agency of the Ontario Government. Its purpose is to disburse a portion of the proceeds of gaming to charitable organizations across the province, in order to help build healthy, sustainable and caring communities as a strategic contribution to Ontario civil society. *Wealthshare's* Mission, Vision and Values states:

We encourage collaborative and imaginative, holistic approaches to increased community well-being which recognize the important and interdependent role that arts, culture, recreation, sports and social services play, and the underlying value of a sustainable economy and environment (organizational documentation, p. 1).

During the year in which our research was conducted with *Wealthshare* (January to December, 1999), the organization changed dramatically. The budget was increased from twelve to one hundred million dollars; the staff had grown from twelve to eighty; the well-respected CEO had been terminated by the incoming Board of Directors, and had not yet been replaced; the structure of the organization was decentralized and now included regional offices in various areas of the province; and the entire head office physical plant had been completely renovated.

Urban Religious Hospital (URH), as the name implies, is a religiously affiliated hospital operating within a Canadian urban centre. It has a strong community focus and prides itself on its work with its community neighbours, in particular the poor and the homeless. Until ten years ago, URH was suffering from what seemed to be an irreversible debt crisis. However, over the course of the last decade, URH has succeeded in its quest to become a profitable provider of 'excellent quality patient care.' The last decade has been one of significant upheaval within the Canadian health care system. Within that system, hospitals have experienced the most dramatic change and have often been faced with unprecedented funding cuts and budget shortfalls. *Urban Religious Hospital*

provides an example of one that has risen to the challenges, maintained its focus on its values, and continued to thrive despite the tumultuous climate.

Homewares is a home furnishings retailer with more than 800 stores in the U.S., Canada, Mexico, Puerto Rico, the United Kingdom and Japan. Worldwide, this non-unionized, publicly traded, 39-year-old company employs roughly 10,000 employees and is one of North America's leading specialty home fashions retailers. Its mission includes a strong customer focus which staff try to support by ensuring that the shopping experience is enjoyable, and that the customer is provided with a varied selection of unique home furnishings and accessories. Homewares also has articulated its commitment to employee learning and to taking a socially conscious approach to business. Its philanthropic endeavors include international, national, and local foci through fund-raising and community outreach. Homewares' partnering relationships with organizations like the United Way and UNICEF have resulted in contributions of more than 17 million dollars to hundreds of worthy causes around the world. With respect to learning, this organization states that having fun at work in combination with training opportunities and a "team learning" environment best describe the intended experience for employees, whether at the store, distribution centre, or home office location.

ThermoDial is a leading supplier of building control solutions. Its products include building automation systems for heating, ventilation and air conditioning; comprehensive services for mechanical equipment and building automation; design-build engineering services; integrated security, surveillance, fire and alarm systems; and technical services to assess and improve energy efficiency. Customers include builders of homes, schools, hospitals, office buildings, museums, airports, shopping centres and other public institutions. Over the past decade, the CEO of a Canadian ThermoDial manufacturing plant has incorporated innovative management practices and learning strategies into the workplace in an effort to streamline and update systems and procedures and improve quality of work life for all staff. As part of a large, diversified, multinational organization, this plant employs 300 people, 200 of whom are unionized, and is a ThermoDial Centre of Excellence for production of valves and actuators that are exported around the world.

Basic Social Processes as an Avenue for Informal Learning

The cases represent organizations that view learning, and in particular, *informal learning* (defined here as that which happens naturally, as part of daily work), as critical to both their effectiveness in achieving their goals and in providing a stimulating, challenging, developmental environment for all of their employees. This concern, supported by the literature in organizational learning and redesign (Emery, 1980; Senge, 1990; Trist, 1981), values the joint optimization of both the social and technical systems – or the achievement of organizational goals through the enhancement of the workplace as a continuous learning environment (Laiken, 1987, 1997).

Individual professional development (often represented by one-off training events) is valued to varying degrees in all of our case organizations. However, the most sustainable benefits, in terms of both individual and organizational needs, tend to result from “action” or “situated” learning (Revans, 1982; Lave & Wenger, 1991) which is informal, and accrues directly from work-related activities. This is the learning that takes place in the interstices of organizational life – in the coffee shop or during a car pool, in a meeting, or on the shop floor during a production process. It is characterized by relationship and interpersonal interaction through basic social processes such as:

- formal and informal problem-solving in groups or teams;
- making mistakes, reflecting on the experience, and applying the learning in practice;
- confronting the gaps between organizational vision and the reality;
- dealing directly with conflict or difference in the workplace;
- participating in organizational decision-making; filling a leadership “vacuum”; and
- learning technical skills from peers through cross-training on the job.

Brown & Duguid describe this type of workplace learning as a process that occurs through “webs of participation” (1991, 1992). Wenger and Lave (1998) and Wenger (1996, 1999) have characterized these informal learning webs as “communities of practice,” while Boland and Tenkasi (1995) refer to them as “communities of knowing.” Rather than representing organizational learning as that which occurs within formal systems, for instance through classroom training, they are concerned with learning which

occurs through participation at work outside of formally-designed professional development opportunities. Organizations that encourage, or at least do not prevent, these emergent communities recognize that knowledge transfer and more integrated learning are best facilitated by authentic social interaction.

Individual informal learning

Although informal learning through social interaction can be supported and encouraged anywhere, it appears to be more difficult to achieve through strict adherence to traditional formal hierarchies (Lave & Wenger, 1991). ThermoDial's Canadian plant has experimented with a dramatic change in the last decade from a traditional assembly line structure to one of relatively independently operating work teams, each responsible for a complete production cycle. Where once staff would spend their entire day repeatedly performing one specific operation on a product (e.g. connecting a wire to a screw, or putting two parts together) before passing the parts on to the next worker, now teams of five to ten individuals rotate all relevant jobs. For their particular line, each team member must be able to download order and supplies information from the computer system, perform all assembly tasks, inspect the product and make adjustments when errors are found, and prepare finished goods for shipping in a "just-in-time" manufacturing environment.

As might be expected, the roles of staff and management have evolved throughout this transition. Staff are more psychologically engaged and feel responsible both for their own success and for contributing to the overall success of the company. Apart from enhancing job satisfaction, this results in financial gain for all involved, through rewards for skills and knowledge accrued. Commitment is promoted by delegating authority directly to the front-line staff. In the process, learning, through self-direction and through interaction with others, becomes an integral part of accomplishing the task. Concerning their reaction to this approach, research participants say:

We used to have people working... overtime and every day doing a repair. Why? Because we didn't care. Somebody else was going to correct our garbage. Now we care because the reject is going to come back to me. I don't want that, so I'm trying to do my job right the very first time (Line Staff).

I do new things all the time in my job, so I almost have to learn new things

just to keep up with the growing technology. So I usually know what I need before they do, so I'll approach them that I need this, and usually they supply it somehow (Engineer).

I feel far more comfortable to ask questions now. If you have a disagreement with something, you know that your opinion is going to be valued. And in my relationship with my manager, I can ask him anything. Absolutely anything, and I would disagree with anything. We trust the people we work with, and we trust their opinions as well (Production Supervisor).

At ThermoDial, management's role is to support the employees' success by looking for ways to help them incorporate new skills and knowledge into the work. The manager's role is best discussed as what Block (1993) terms "stewardship" and Kofman and Senge (1993) call "servant leadership." Managers view staff as their priority customers, and tailor their support and the environment, whenever possible, to accommodate employees' strengths and needs, in order to enable the most effective achievement of organizational goals. One manager comments about the peer learning involved in this process:

When it comes to actually doing the job and learning the computer skills... they're side by side with their co-workers, they're not with me. I'm here for them, and they choose who they're comfortable with... I don't designate someone on the line to be, okay, you're going to train these people, I don't do that. My personal belief is that people need to be able to go to whoever they're comfortable with, because if they're uncomfortable they'll never learn. I think I had seven people who were trained on the new Oracle system. Of those seven people, there are four that are constantly on their feet showing people the new system. (Production Supervisor)

At Wealthshare, the formal structure is more traditionally hierarchical than that of ThermoDial. Nonetheless, like ThermoDial, Wealthshare values individual and team autonomy and maintains an unequivocal respect for learning. Informal learning at Wealthshare usually results from a work-related need. These demand-driven opportunities range from formalized meetings and staff retreats to more informal hallway conversations to small self-appointed teams working on a particular issue of importance to all members. Respondents repeatedly offer examples of their learning in this context, noting that even during a formal orientation/training session, it is the *informal learning* through social interaction that is particularly significant:

It was mostly just the discussions among people being trained together – and we were sort of sorting out the issues on our own (Staff).

Oh yeah – like in the early stages we did a collective analysis of the application – to provide different views, different ways of looking at an application – it just came out of the group. That’s how I learned to do those things (Staff).

So no one really knows, so no one is really able to give you any concrete answers. So there’s on-going discussion – there are chat lines, and so on – all sorts of stuff about how you interpret things – we teach each other all the time (Staff).

Team Learning

Team environments, which are increasingly becoming the norm organizationally (Boyett & Conn, 1992; Lawler, Mohrman & Ledford, 1992; Katzenbach & Smith, 1993), provide another site for informal learning through social interaction on the job. Although Wealthshare is committed organizationally to team learning, its success with teams has been mixed. Some of the challenges are directly related to the lack of systemic stability during a time of dramatic change within the organization. However, many of the issues are similar to those experienced in more stable organizations (Katzenbach & Smith, 1993) including two of our other research sites (Homewares and URH). Teams feel that they do not have enough autonomy to make decisions that directly affect them. There is a lack of clarity about decision-making boundaries or a lack of effective team facilitation. There is a lack of willingness to raise conflictual issues openly for fear of hurting feelings, and therefore a failure to set potentially helpful group norms. One Wealthshare research participant comments:

Oh, they look bored at the meeting, and they don’t make notes, and they think, well, didn’t we already discuss this? So people try to speed up the tempo, you know, and it’s a good thing, because there is work to do ... but it’s also a forum where you can get a little deeper into some issues ... (Staff).

The teams that seem to most effectively provide a context for individual and group informal learning in all of our sites have a number of common characteristics. They meet regularly. Although task-focused, their meetings include time for reflection on their process; the members attend to individual as well as group needs. Meetings are usually facilitated by someone (not necessarily the manager) who has some skill in team leadership and is focused on sharing these skills. These teams support individual

professional development to help members learn needed skills, name problems as they arise and deal directly with them, and often act as an on-going community of practice. They do so by providing a forum for dialogue, in addition to problem-solving regarding work-related issues. Most importantly, the team members function interdependently, and are collectively accountable for achieving mutually agreed-upon team goals.

Conversely, although Homewares' intention is to function as a team-based organization, it is a negative example of teams as settings for learning. While the organization does not actively discourage teams, efforts to formally support the use of teams is not explicit. One respondent says, "there's nothing formal, nothing developed thus far for Homewares in that regard." Additionally, only one explicit effort to become team oriented consisted of managers attending a retreat where they experienced team-building exercises with strangers. While this is indeed an effort to teach some team skills, it does not meet the conditions outlined by Wenger and Lave (1998) and other theorists (for example, Revans, 1982; Brown & Duguid, 1991) for truly integrated learning. It did not take place in the context in which it was to be practiced and it was not supported by the organization beyond the initial training experience.

The paradox raised by the Homewares case is that, in order for more informal learning within a team to take place effectively, the organization must provide a context of formal support. (This will be discussed later in this chapter under the heading of "organizational culture.") It must make conscious efforts to clarify what it means by the term "team," rather than simply labeling all working groups as teams (Katzenbach & Smith, 1993). Further, team learning, however informal, must be accompanied by explicit efforts to define the processes and norms for how a team is expected to operate, as well as supported by more formal training in the skills needed for effective team leadership and membership (Laiken, 1993, 1998).

Learning Through Dealing with Conflict; Making and Reflecting on Mistakes

At Wealthshare, there was one area that was both the most challenging for teams, and, paradoxically, the most rewarding in terms of individual and group learning. This is the realm of risk-taking and conflict management, and involves making mistakes, reflecting on the experience, and applying the learning in practice. Sources of conflict at Wealthshare seem typical of most organizations. The most common include differences

in status; unclear assumptions; feeling silenced in a discussion; lack of clarity regarding roles, goals and expectations of others; lack of trust; and perceived workload inequities (Laiken, 1994). However, what seems somewhat unique at Wealthshare, and helps designate it as a “learning organization,” is the cultural norm that supports confronting conflicts openly and viewing them as opportunities for learning. Nonetheless, here, as in other aspects of functioning, there are individual differences. Some people are more willing to be direct in dealing with conflict than are others.

Confronting conflict seems to be more risky, as might be expected, when the person being confronted is one’s manager as opposed to one’s peer in the organizational hierarchy. However, at Wealthshare there is a surprising lack of fear in this respect – even new hires seem prepared to call a manager on his/her behaviour – especially when the latter is contravening an organizational norm. This kind of confrontation is not only condoned, but encouraged actively, as part of Wealthshare’s cultural values:

A number of times, people made a courageous step by calling our CEO on some stuff, and in a way that was really helpful for the whole rest of the staff, when they took that step. You know, basically a “time out” – like “I don’t think you’re respecting my opportunity to speak in this arena.” People then acknowledged the courageousness of that step (Manager).

The underlying belief is that, if people either recognize mistakes on their own, or learn about them through feedback from others, and most importantly, see this as an opportunity to learn and improve in the future, both the individual and the organization will benefit. The most critical principle here seems to be an explicit culture of “no blame” – where employees are supported in viewing mistakes simply as an opportunity for learning (Gephart, Marsick, Van Buren, & Spiro, 1996; Kofman & Senge, 1993). It appears from our research that organizations intent on enhancing learning from experience prohibit, both culturally and procedurally, the use of threat, punishment or blame. As several of our interviewees note:

We’re laid back when it comes to mistakes that happen – we recognize it for what it is, it’s a small thing, no problem, no blame... and we always say .. this is the phrase that always comes back - “next time we’ll do it better” (Staff, Wealthshare).

Everybody’s included in all the good things about working in a team environment... and if you screw it up, we’ll fix it tomorrow. So there’s no punishment, there’s no downside to making a mistake, either (Production

Supervisor, ThermoDial).

Shared Leadership in Support of Informal Learning

Increased individual and team autonomy was an outgrowth of major organizational transition in three of our four cases. URH was suffering from an unprecedented debt crisis due to large funding cuts and budget shortfalls, resulting in overall major restructuring of its systems and processes. ThermoDial's transition to its new approach required additional skills training for all staff, for many of whom English was a second language. It also required a leap of faith to appreciate that a flattened hierarchy and distributed responsibility would be an improvement on the old system, and not simply "more work for the same pay." Finally, the new approach was introduced at a time of downsizing, when most supervisory roles were eliminated. The remaining unionized employees realized that their traditional seniority program of advancement from assembly to set-up to inspection roles would be irrelevant in a setting where all staff would now be required to rotate diverse jobs as part of self-managed units.

At Wealthshare, although the changes were largely positive and the atmosphere generally expectant and charged with the excitement of a growing enterprise, the transition was also difficult. New systems and procedures were evolving but not yet fully in place. Staff roles were shifting, resulting in concerns about loss of the kind of autonomy that had become the norm in the smaller organization. The decentralized structure resulted in central and regional differences that had not yet been reconciled. At a time when strong leadership would have been welcomed, there was no Executive Director, but only an over-worked senior management team struggling valiantly to respond to the varying complex demands of an essentially new organization.

Trust and Distributed Leadership

Whether it was explicitly designed to be a feature of the organization, as at ThermoDial, or was the result of an unanticipated leadership vacuum, as at Wealthshare, the opportunity for more distributed, participative leadership among all employees presented itself as a key enhancer of informal learning.

In our research sites, those on the "front lines" of the organization offered concrete examples of how they were invited to use their skill, knowledge and creativity in their daily work. A critical aspect of such autonomy is the strong sense that employees

have of being trusted to act responsibly. At URH a staff member says:

We follow up with patients. I have my own business cards that I can give to patients so that they can contact me. All the nurses in the clinic have them too. Everyone has a direct link to me as a person. It makes everything more professional.

At ThermoDial, employees say they have gained in both direct and indirect ways from acquiring the new skills associated with increased responsibilities in their jobs, including more confidence in their own judgment and in their potential to learn and contribute. Respondents comment:

This has been the biggest learning experience of my life...people are no longer a great mystery. (Production Supervisor)

It's good for ThermoDial; it's good for me first... with the computer courses... [now] I'm not afraid of the computer. When you know how to operate a computer, it's much easier to learn new stuff. So every day we're learning. Right now we're trained for Oracle, the new program that we have here. It was not a big deal because we have so much knowledge of the computer. You know what I mean? It's much easier. Like learning, I mean for me, I'm learning every day. And I have a mind, especially when it comes to computers, I know that now (Line Staff).

In all cases, the opportunity to participate in organizational decision-making through distributed leadership was viewed by research participants as a major contributor to their learning, development and increased self-confidence on the job. Important enablers in this process include accessibility of information, and a sense among employees that they are being trusted to make decisions by using that information responsibly.

At ThermoDial respondents praise the efficiency of information sharing throughout the plant, particularly between management and staff. Line staff obtain an understanding of customer needs through both formal and informal interaction with sales and marketing, internal postings, and information sessions with management. Being kept informed is important to front line workers, who want to comprehend their contribution to the organization as a whole:

Because we have the documents, we have the figures and we have the instruction how to do everything, if we see something wrong we can stop the line right away... It might be a short time until I see the engineer or something... Because the way we work, we're flexible (Line Staff).

We have enough experience that, frankly, I could go for a week and never speak to any of them, the world will function just fine. I know the products well enough and have been here long enough, and have such confidence in people doing their job that they don't need me (Production Supervisor).

At Wealthshare, although some newer employees continued to feel vulnerable and in need of direction, all chose the organization as a workplace in which they could expect personal autonomy and self-direction to be valued. The transitional leadership vacuum provided an invitation to fully exercise this autonomy, and most teams and individual employees accepted the invitation with enthusiasm. Workers participated in interviewing and selecting new hires. Many appreciated this as a key informal learning opportunity. Recommendations regarding a wide variety of operating issues were proposed by individuals and teams, and implemented. Employees found themselves defining their own roles within organizational parameters, particularly in newly designated jobs such as Area Manager. Individuals were offered much room for flexibility through job arrangements such as home working. Interviewees express their enthusiasm for these opportunities in such comments as:

Like mainly, you have a free handle on how to develop your local grant review team. For example, what I did in my region is, I involved them a lot in site visits, as a way of educating them. In our first meeting, we didn't have applications to review, so I invited the Social Planning Council to provide a context. In a way, yeah, I see myself as having the authority or freedom to do things ... (Manager).

It's very open, there's a lot of opportunity to participate generally. There is a strong value in respecting everyone's voice. Lots of discussion – changes are not made without striking working groups. It's a very consultative, participative organization (Staff).

Workers at Homewares also attribute much of their important informal learning directly to the amount of autonomy they experience in their role. A staff person notes that her manager views her desire to take initiative as an opportunity for her to learn some new aspect of the store management. She says, “Many of the operational decisions in the store are up to my own discretion.”

Other Homewares staff gain a sense of autonomy through the freedom they experience to display items in the store using their own creativity, by the receptivity with which their suggestions regarding visual display are met, and through the encouragement

to find innovative ways to provide excellent service. One employee comments that associates are given "turf" in the form of sole responsibility for one area of the store, where they are invited to use their initiative.

Informal Learning and Organizational Benefits Through Increased Autonomy

Opportunities for informal learning through increased autonomy clearly benefit individual employees in our research sites. However, of equal importance, such opportunities also appear to also result in improved group cohesiveness as well as greater quality in services and products for the organization as a whole. At ThermoDial, both management and staff indicate that their team approach has improved quality because of a shared responsibility for team output and a commitment to quality by every member of the organization. With ownership for the final product delegated right to the front line, staff are more conscientious about their work:

To me you are a liar if you send out a bad product, just to get the work done. You know something is bad, you don't do it (Production Supervisor).

You don't have anybody to correct your mistakes, you're doing it, so you're more careful doing it (Line Staff).

Additionally, shifting ownership to the front line results in greater work group cohesiveness. Most employees pull together and choose to step in to "get the job done," out of a sense of duty to the organization and its customers and with resulting pride of accomplishment:

As far as the team work, it's good as far as getting the stuff out... being in a smaller group, so if a problem arises, like say we're using the wrong something or other, it'll be caught more than it would have the way we used to work with two people here, four people on this job... we've all been trained now to visually look at the things instead of just doing what you need to do... so it's all, it's a lot better for the company because they don't have as many rejects returned. Because we find all the stuff. It's wonderful for that and the amount we get out now... it's unbelievable (Line Staff).

Integrating the Learning Organizationally

Current research (Ahmed et al, 1999; Bartlett & Goshal, 1998; Goh, 1998; Stamps, 1998) supports our most important finding from this study, which is the notion that organizational climate and culture is critical in creating an environment that enables

informal learning and shared leadership in the workplace to thrive. Additionally, managing the paradox of “formalizing the informal” by embedding it in the structure, systems and processes of the organization ensures that its benefits are largely sustainable.

We identified three sets of activities as key factors in ensuring an organizational climate conducive to learning. They are: (1) creating a values-based shared vision of both the task-related goals and the internal functioning of the organization; (2) examining and revising systems, procedures and processes so that they clearly reflect the vision and values in action; (3) continuously evaluating progress towards achieving the vision so that the gap between the vision and the current reality is progressively decreased.

Creating A Values-based Shared Vision

URH has developed a set of institutional values that embody its commitment to “excellence in patient care” and service to its unique urban community. All interviewees discussed the central role of the mission and values within the hospital, making statements such as: “The mission and values guide the hospital in what we want to do in a larger health care frame.” Information about the mission, vision and values is transmitted formally through orientation and professional development activities, informally through hallway conversations and team discussions, and through the day-to-day work in the hospital. Consistent with this, URH has created a position entitled “Director of Mission and Values” (DMV), whose role is to keep the conversation about this important aspect of the organizational culture alive. All research participants mentioned the centrality of the role of the DMV and the mission and values statements during the orientation program for new employees. One person notes: “There was an open discussion of the mission and values, the history of URH, the importance of caring for the disadvantaged and the commitment to the poor.”

At Thermodial, the entire workplace structure reflects the organization’s values-based commitment to employee participation and distributed leadership, while at Wealthshare, there exists a strong belief system which originated in the smaller organization. This vision supports learning and development among all employees, and includes community members as well. There is a deeply held belief about the benefit of helping clients reach their own solutions to issues of concern, as well as a set of values regarding Wealthshare as a nurturing workplace for its employees.

All of our case sites noted that the orientation process for new employees was an initial location for introducing them to the organization's vision and values. At Homewares, although there is no formal orientation program for non-managers, sales associates are offered a self-directed learning opportunity through video-tapes and workbooks, which introduces them to their role in the organization. However, the critical factor in whether or not such exposure is taken seriously by workers appears to be the degree to which the rhetoric is actually enacted in practice within the organization.

Reflecting the Vision in Practice

Most modern organizations have recognized the importance of developing a shared vision to help align the work of disparate units or individuals. However, few have as yet managed to integrate this vision within their systems and work processes, so that it is reflected in every aspect of organizational life (Laiken, 1997; McKenna, 1992; Senge et al, 1999).

Our research sites offer several examples of having achieved this goal: from distributed leadership increasing worker autonomy at ThermoDial to encouraging staff to build links with the community at URH. By creating the position of Director of Mission and Values and securing its place in senior management, URH ensures a "champion" for enacting its vision. The hospital has also reflected its beliefs through its awards and recognition program for all employees. The rewards have served to create an awareness of the values supported by the organization as well as acknowledging employee achievement and effort in this regard. Staff members explain:

In 1990 there was nothing in the way of staff recognition or values recognition. Now there are plenty of awards. .. "Most valuable player" award is nominated by peers for going above and beyond the call of duty. There are also pictures and names of recognized people.

Values in Action nominations are more complex and there are awards for individuals, teams and projects. We have a set URH Day. Everyone is honoured, and that is September 29. Everyone is given a memento... There is a Values in Action Award that recognizes the 5 values. Each year, one team is recognized around each value.

Finally, values play a significant role in the decision-making process at URH. Staff repeatedly note how teams and leaders reflect their commitment to excellence and to the community as a framework for planning. For example: "There are strong mission

and values. We have worked to keep it alive. We talk about it a lot.” Another participant explains, “The values are the heart of the organization. They influence decision making at the leadership level ... There is recognition of the values in the leadership. It is evident in their behaviour.”

ThermoDial’s line staff appreciate the value in action that supports the inclusion of every worker in creative problem-solving and organizational decision-making. One staff member says:

Before... I felt like a dummy. Nobody was asking me for ideas, talking. They were telling you what to do and that was it. Even though you knew better how to improve things on your job and everything. And it’s not because they were bad, because that was the system. But now, if you have an idea, just say it, say your idea and somebody will reward you for that, if it works... And you do, believe me, there are a lot of [opportunities] to use your brain (Line Staff).

At Homewares, the extent to which practice reflects beliefs varies according to the style of leadership in any particular store. What is lacking here is an organizational vision to which all locations have committed themselves. As a result there is a large variation in the extent to which the vision is consistently embedded in day-to-day working life.

In contrast, at Wealthshare the general feeling among interviewees is that while the values are clearly espoused throughout the organization, there is some tension in enacting them. This is partly due to turbulence and structural changes that are not yet firmly rooted. As at Homewares, some supervisory styles are seen as not consistent with espoused values but, for the most part, there is a feeling that Wealthshare is positioning itself to implement its values in action. Much of the learning identified takes place by people becoming aware of the gap between the espoused values and the values in use (Argyris & Schon, 1978), and making attempts to close that gap. There is a recognition that aligned action requires congruence between personal and organizational values, and staff are learning to be more aware when these are not congruent. A participant comments:

Everybody in our organization used to report to one person, and so there were times when we did some spectacular things in communities, we had tremendous autonomy in our jobs, and then, at an internal level, there would be some blaming about something that didn't match the kind of autonomy we were feeling in our external roles (Manager).

Making space for reflection and discussion of the gaps between vision and reality is viewed by most research participants as one of the key activities in sustaining organizational learning, as well as in providing opportunities for informal learning. Once identified, a problem is never ignored – it is seen as an opportunity for learning, and time is set aside to deal with it. One participant provides an example:

In September we had a Staff retreat. And I would say we had a variety of challenges facing the organization, because we were about to be in this huge transition, but it was like being in a hurry-up-and-wait mode. We'd hired talented staff who couldn't do the job they'd been hired for because some of the approvals weren't in place. So we had disgruntled people, in a way, and we weren't leveraging their potential as well as we might have. And so during the Staff retreat, we wanted to look at the future, but had to address some of those realities. And out of the retreat we did develop a series of working groups that were staff-driven, grassroots. We figured out

some parameters, and enabled staff to find their voice through these work groups (Manager).

Continuously Evaluating Progress

Making discussible the gaps between theory and practice and conscientiously acting on the issues identified emerges strongly as the most significant feature separating our case examples from other, less learning-oriented organizations. This type of reflective activity sets the stage for continuous individual, team and organizational learning.

URH takes a more structured approach to evaluating progress than do the other organizations in our study. Over the years, the hospital has developed a culture that is deeply rooted in reflection and analysis of organizational health in order to improve its performance. As one employee notes, “there is an underlying thirst for knowledge,” and another says, “We are measuring things constantly. There are lots of indicators.”

For example, URH has turned its diagnostic sensibilities upon itself and has committed to learning more about the experiences of its employees. In addition to generating a better understanding of how individual employees view their work and the hospital, the organization also conducted a study of its own organizational culture.

Additionally, URH is working to better understand its clients’ experiences through a continual assessment of patient satisfaction, patient outcomes and waiting time. Finally, the hospital has established a community advisory committee to address specific inner city program needs. A critically important aspect of this activity is the fact that these data are fed back to the employees directly involved with the clients in question. This places responsibility for problem-solving and continuous learning squarely on the shoulders of those who are in a position to take immediate action for improvement. As one respondent explains:

There is a patients’ complaints process. There is a designated person who deals with this as the Patient Satisfaction Coordinator. She is the “survey queen” and reports back to staff. (Staff)

Summary and Conclusions

The cases reviewed here shed light on the role of and potential for informal learning within the process of organizational change. This chapter illustrates concrete

approaches for ensuring that learning is integrated into the broader change processes at individual, team and systemic levels. We believe the research illustrates that these strategies can be applied to organizations in private and non-profit sectors alike.

For individuals, action learning on the job is enhanced by legitimized opportunities to view mistakes or problems as an opportunity for learning through reflection and subsequent application of new insights. For both individuals and teams, framing conflict and difference as a source of creativity, and being encouraged to directly confront issues within an atmosphere of “no blame,” provides the safety workers require to engage in such potentially risky ventures. Leadership modeling appears to be particularly significant in this area.

Teams thrive as a learning context when they meet regularly (either face-to-face or virtually); are skillfully facilitated to balance task and process; incorporate individual needs into shared team goals which require members’ interdependence; clarify roles and expectations; and are aided by organizational support such as opportunities for skill development. Team learning occurs in teams that are differentiated from natural working groups (such as a unit or department) by the fact that they are meeting to work on specific goals for which they are mutually accountable.

Systemically, shared or distributed leadership enables continuous informal learning through autonomy on the job and opportunities to participate in organizational decision-making. The outcomes for individuals include increased technical and interpersonal skill, as well as enhanced self-confidence and creativity. The critical enablers are: management trust in worker responsibility; continuous and unrestricted access to job-related information; and, working within a “whole job” concept which allows employees to pursue a complete project from beginning to end.

Additionally, what we have termed “formalizing the informal” seems to be essential in order to embed the learning organizationally. Organizational culture and climate are key in creating an environment for informal learning to thrive. Three sets of activities were identified as core in this enterprise: creating a value-based shared vision; examining and revising systems, procedures and processes to clearly reflect the vision/values in action; and continuously evaluating progress towards achieving the vision within the context of day-to-day working life.

None of the organizations represented in this study would identify themselves as a fully developed “learning organization.” What became abundantly clear as we listened to workers’ stories is that there is no end point to the processes that were being examined, for either the individuals or the organizations involved. This is lifelong learning writ large. It seems not to be a question of who has *done* it, but a question of who is *doing* it – with the journey characterized by a continuous cycle of understanding, implementing, reflecting and sustaining. Kofman and Senge say: “The best constructs for explaining and organizing the world will imitate life itself. They will be in a continual state of becoming” (1993, p.15). However, our own research participants express the concepts best with such statements as:

For me, organizational learning incorporates some of the other levels of learning – it is how the organization is accessing information, knowledge resources – and interpreting them in a way that moves them forward continually – enabling the organization to achieve best practices, to reflect on what it’s doing ... So it’s macro – but it also requires individual and team and other types of learning for it to actually work ... and, for an organization to do that, it needs to have in place a vision and values that link back to reality. It’s one thing for one or two people to hold those kinds of values – if the organization itself doesn’t serve these issues through its mission, vision and values, and then practices underneath that – policies and practices that are supported – then it won’t happen. (Wealthshare Staff)

REFERENCES

- Ahmed, P., Loh, A. and Zairi, M. (1999). Cultures for continuous improvement and learning. *Total Quality Management*, 10(4/5): S426-S434.
- Argyris, C. & Schon, D. (1978). *Organizational Learning: A Theory of Action Perspective*. Reading, Mass.: Addison-Wesley.
- Bartlett, C.A. & Ghoshal, S. (1998). Beyond strategic planning to organization learning: Lifeblood of the individualized corporation. *Strategy and Leadership*, 26(1): 34-39.
- Boland, R. & Tenkasi, R. (1995). Perspective making and perspective taking in communities of knowing. *Organization Science*, Vol. 6, No. 4, July-August, 1995: 350-371.
- Block, P. (1993). *Stewardship: Choosing Service Over Self-Interest*. San Francisco, CA: Berrett-Koehler.
- Boyett, J.H., & Conn, H.P. (1999). *Workplace 2000: The Revolution Reshaping American Business*. New York: Penguin Books.
- Brown, J.S. & Duguid, P. (1991). Organizational learning and communities-of-practice: Toward a unified view of working, learning and innovation. *Organization Science*, Vol.2, No. 1, February, 1991: 40-57.
- Brown, J.S. & Duguid, P. (1992). *When change is constant, maybe we need to change our own eyeglasses*. Paper presented at the Learning in Organizations Workshop, University of Western Ontario Business School, London, Ontario, June 21-23, 1992.
- Emery, F. E. (1980). Designing socio-technical systems for 'greenfield sites'. *Journal of Occupational Behaviour*, 1(1).
- Gephart, M., Marsick, V., Van Buren, M. & Spiro, M. (1996). Learning organizations come alive. *Training and Development*, December, 1996: 35-45.
- Goh, S.C. (1998). Toward a learning organization: The strategic building blocks. *S.A.M. Advanced Management Journal*, 63(2): 15-22.
- Katzenbach, J. R. & Smith, D. K. (1993). *The wisdom of Teams: Creating the High-Performance Organization*. Cambridge, MA: Harvard University Press.
- Kofman, F. & Senge, P.M. (1993). Communities of commitment: The heart of learning organizations. *Organizational Dynamics*, 22(2): 5-23, 1993.

- Laiken, M. (1987). *Taking charge: The impact of organizational restructuring on learning and change within self-managing teams*. Unpublished doctoral thesis. Toronto: University of Toronto.
- Laiken, M. (1993). The myth of the self-managing team. *Organization Development Journal*, 12 (2): 29-34.
- Laiken, M. (1994). Conflict in teams: Problem or opportunity? *Lectures in Health Promotion Series No. 4*, Centre for Health Promotion, University of Toronto.
- Laiken, M. (1997). Collaborative processes for collaborative organizational design: The role of reflection, dialogue and polarity management in creating an environment for organizational learning. *Organization Development Journal*, 15(4): 35-42.
- Laiken, M. (1998). *The Anatomy of High Performing Teams: A Leader's Handbook (3rd ed.)*. Toronto, ON: University of Toronto Press.
- Lave, J., & Wenger, E. (1991). *Situated Learning: Legitimate Peripheral Participation*. Cambridge, UK: Cambridge University Press
- Lawler, E. E. III, Mohrman, S. A. & Ledford, G. E. (1992). *Employee Involvement and Total Quality Management: Practices and Results in Fortune 1000 Companies*. San Francisco: Jossey-Bass.
- McKenna, S.D. (1992). A culture instrument: Driving organizational learning. *Leadership and Organization Development*, 13(6): 24-29.
- Revans, R.W. (1982). *The Origins and Development of Action Learning*. England: Brookfield Publishing.
- Senge, P. M. (1990). *The Fifth Discipline: The Art & Practice of the Learning Organization*. New York, NY: Doubleday Currency.
- Senge, P., Kleiner, A., Roberts, C., Ross, R., Roth, G., & Smith, B., (1999). *The Dance of Change: The Challenges to Sustaining Momentum in Learning Organizations*. New York, NY: Doubleday Currency.
- Stamps, D. (1998). Learning ecologies. *Training*, 35(1): 32-38.
- Trist, E.L. (1981). The evolution of socio-technical systems: A conceptual framework and an action research program. *Issues in Q.W.L. No. 2*. Toronto: Ontario Ministry of Labour, Ontario Quality of Working Life Centre.
- Wenger, E. (1996). Communities of practice: The social fabric of a learning organization. *Healthcare Forum Journal*, July-August: 20-26.

Wenger, E., & Lave, J. (1998). *Communities of Practice: Learning, Meaning, and Identity*. Cambridge, UK: Cambridge University Press.

Wenger, E. (1999). *Communities of practice: Learning as a social system*. Unpublished paper, presented in Toronto, April, 1999.

Woolner, P., Lowy, A. & Redding, J. (1995). *Learning Organization 5 Stage Diagnostic Survey and Workshop Version*. Toronto: Woolner Associates.

¹ The research project from which this paper resulted has been generously supported for three years - financially by the New Approaches to Lifelong Learning network (NALL), funded by the SSHRC, and in many other ways by the members of NALL Research Group 5. Additionally, the continuous input and energy of Reuben Roth and David Livingstone in helping to maintain the network have been especially valuable. We are further indebted to our peer reviewers, Mary Stratton and Ted Jackson, whose excellent feedback has improved the chapter considerably, as well as to Kathryn Church for her encouragement and help in publishing our findings. Most importantly, we wish to gratefully acknowledge all of the organizations we researched, and in particular, the members of the four case organizations that participated as interviewees, as well as their workplaces which provided support during all phases of the research process.

² The research team included a fifth member, Jan McColl, who did not participate in the writing of this chapter, but who was fully involved in every other phase of the project. We wish to acknowledge here her invaluable contribution to the study.

³ Woolner et al (1995) define a “stage 5” organization as one in which business strategies are based on a shared collective vision; structures and functions are flexible and responsive to organizational needs; there is direct information sharing and a constant questioning of assumptions and testing of reality; and work and learning are fully integrated.