Creating a Learning Organization as an Increase in the Adaptability of a Company's Human Capital to the Volatility of the External Environment

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Abstract:

The paper studies the issues of the need to create a learning organization in the context of an unstable environment and the concept of lifelong education. It was revealed why and in what direction companies need to be transformed in order to remain competitive, what undermines the building of a learning company; the influence of unskilled personnel was identified. In this context, the present factors that contribute to higher organizational productivity were highlighted, and an algorithm for organizational changes was proposed, which is a complex system of measures seeking to create a learning organization and increase the company’s adaptability.

In the paper, based on an expert survey, a methodological approach was substantiated and the essence of the tools that were used to build and develop a self-learning organization was considered. The methodological approach included the following elements: assessment of the current state and prospects of the enterprise to introduce the concept of a self-learning organization; social network analysis; analysis of staff’s ability to teamwork; evaluation of the socionic type of employees; formation of specific measures and tools that could ensure the continuous development and training of staff.

Keywords: learning organization, lifelong learning, organizational performance, corporate learning.

JEL Classification: M50, M53, I20

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1. Introduction

The realities of the present world are such that rapid and qualitative perception of the new is a competitive advantage. This is due to the acceleration of scientific and technical progress, to the spasmodic growth of new information technologies, to the general economic instability, when instability becomes the norm of both the world and any local economy, so companies wish to become more adaptable to changes. The constant layering and change of technologies lead to a change of equipment, software, working environment, working methods, etc.

The habits of obtaining information, its ways, volumes and quality have changed. People have got used not only to obtain knowledge in a dosed form, but because of the strong information noise, their ability to perceive information has changed. In addition, owing to the development of information and communication technologies (ICT), it has become possible to consume knowledge at any free time and via various electronic devices. The knowledge itself is easily accessible to anyone who has access to the Internet. The rapid growth of technology leads to the need and the habit of lifelong studying. There are such concepts as lifelong learning, blended learning, microlearning, modular training, adaptive learning, holacracy, pedagogical design, andragogy, mass open online courses – MOOC, educational YouTube channels, etc. New ways of organizing work, such as agile, kanban, scrum and others are emerging, which have roots in the IT area, but are increasingly spreading to others, just as the IT sphere itself is spreading more and more covering almost all competitive sectors. All this cannot but affect the needs of the individual and his/her expectations about education. At the same time, business has created a need for people who have universal, over professional and creative skills that can quickly and qualitatively adapt to the conditions of uncertainty – to make quick and correct decisions, to take responsibility, to acquire new skills and knowledge in a short time, etc.

The traditional education was created for the needs of the industrialization era. As a rule, it was received once, and the person would work all his/her life in the chosen sphere. Now, when some professions disappear, while others appear in a short time, the traditional education should give truly fundamental, basic knowledge and over professional skills. According to a study by the World Economic Forum, the main working skills that will be in demand by 2020 include the following: complex problem solving, critical thinking, creativity in the broad sense, people management, coordination with others, emotional intelligence, judgment and decision-making, service orientation, negotiation, and cognitive flexibility (World Economic Forum, 2016; Guskova et al., 2016; Sazhin and Saraikin, 2016).

However, now, since the education system is in crisis not only in Russia but globally, companies need to reconsider the attitude to their human resources and transform into learning organizations. To maintain competitiveness in the world of rapid technological progress, companies need to accumulate their own corporate
human capital – to maintain the corporate memory, which does not disappear as employees are leaving, but remains inside the company and forms the basis of corporate intellectual capital. In the authors’ opinion, this is possible through the creation of an integrated system of labor incentives, a system of continuous learning and accumulation of knowledge, mentoring and building up corporate architecture (organizational design).

The problem of increasing the adaptability of companies to the variability of the external environment has been of concern for the global scientific community for more than a decade. However, in the last few years, the creation of a learning organization, especially about increasing labor productivity, has become most relevant. Scientists are concerned about both particular issues, such as formal and informal learning at work (Manuti et al., 2015; Noe, 2014), the impact of corporate culture or innovation promotion on the competitiveness of the firm (O'Reilly III, & Tushman, 2013; Martin-de Castro et al., 2013; Sazhin and Saraikin, 2016), and universal, regarding the benefits that education and development gives to individuals, companies and the society as a whole (Aguinis, & Kraiger, 2009; Bucciarelli et al., 2017; Diaz-Fernandez et al., 2016; Vovchenko et al., 2017).

2. Methodology

The authors used the methods of strategic planning, management theory, expert survey, as well as synthesis, induction, deduction and systematization. The objective of the study was to substantiate the methodological approach to the building up and development of a learning organization. To achieve this goal, the following problems were solved in the paper:

- based on an expert survey, the main features that were characteristic of the learning organization were synthesized;
- a methodical approach to the formation and development of a learning organization was worked out.

The analysis of an enterprise as an open system is the first weighty factor that influences the formulation of the definition of a learning organization, because its main driving force is system thinking. The second significant factor is the theory of "double loop" by Bateson, which emphasizes the need for constant feedback of the system of training and development of personnel with the external environment, and proves the importance of "learning to learn". The third factor is the close relationship between the strategic management of the enterprise and the personal development management, implemented through organizational and individual training of personnel.

According to experts, an effective learning organization is such a structure that supports the learning process at different levels and directions, providing and stimulating the training of those employees who need training, and at the same time
those who can learn. In a learning organization, the main activity basis is knowledge and information, the use of which is inter functional. When making collective managerial decisions, employees must use a wide range of information, which leads to the emergence and assimilation of organizational knowledge. Among the main features of the learning organization, experts identify:

- planning the staff's careers, which provides for continuous monitoring and analysis of employees’ needs, measuring their level of job satisfaction, motives for joining the organization and motives for dismissal;
- clear identification of the authority and responsibility of staff;
- flexible and maximally flat organizational structure of the enterprise, which facilitates the self-organization of staff training and development through the simplification of communications due to a faster exchange of information;
- participative approach to the formation of the organizational strategy, providing for the involvement of employees in the company management, which increases the business activity of staff, accelerates the level of acquiring new knowledge, skills and abilities;
- flexibility of the staff remuneration system, which helps to increase the activity of employees to gain new knowledge, skills and abilities. The development of an individual employee must be accompanied by an increase in the level of his/her wages, because otherwise the need for training decreases and the staff turnover in the enterprise grows;
- free exchange of experience and information between employees, which can be accelerated, if necessary, by mentoring, coaching or budding;
- high degree of staff contact with the external environment, which facilitates the exchange of knowledge and experience with partners or competitors;
- positive psychological climate of the team, which contributes to learning and development.

Experts emphasize that the key feature of a learning organization is the "double learning loop". The "first loop" is ensured by the introduction of compulsory continuous training at the enterprise, and the "second loop" is the motivational aspects to learning, that is, the establishment of an effective system of stimulating the development and self-education of staff. It is the problem of the "second learning loop" that has recently received increasing attention, because at this stage the company faces several problems, primarily related to the unwillingness or inability of staff to share knowledge or experience with colleagues; otherwise, there may be a situation of low practical benefit from the transfer of knowledge, because employees very often cannot apply it in practice.

The main barrier for the development of a learning organization, according to experts, is the reluctance of managers to apply new knowledge and methods for making managerial decisions, and this hampers their own training and adversely affects the development of their employees. Other common problems that usually arise when implementing the concept of a learning organization, as pointed out by
experts, are the following: reluctance to transfer or receive new powers; increasing uncertainty, complications and slowing down the process of making managerial decisions. Therefore, it can be noted that the management of staff training covers a wide range of the corporate operation and requires a special methodical approach, which should be aimed at the development of actions and their implementation in practice. The main carrier of knowledge and experience at the enterprise is its staff; therefore, it is necessary to create conditions for personal knowledge, skills and abilities to become relatively accessible to other employees. This process should take place at all levels of the organizational structure of the enterprise and be continuous.

3. Results

Creating a learning organization is a very complex process that must be based on a properly constructed business process and effective management decisions. In the framework of this research, the authors suggest improving the existing approaches to building a business process for the formation and development of a learning organization based on an expert survey.

The first stage of creating a learning organization is the identification of the current compliance of the enterprise with the principles of this new concept and the analysis of the prospects for its implementation. The primary task is to identify the density of the company’s social network using a questionnaire, the main questions of which should be aimed at identifying the directions of the information flow (that is, who communicates with whom and on what issues) and their relative intensity. The intensity of knowledge sharing and accumulation directly depends on the density of the social network. Employees who are in the middle of the social network (the central interlink) spend much more time creating new collective knowledge than employees who have few connections (for example, information brokers and peripheral specialists). Figure 1 shows an example of a fragment of the corporate social network.

The next step in building a learning organization is assessment of the ability and willingness of employees to work in groups (departments/teams). With the help of the social network built, companies can identify active or passive employees in terms of communication and transfer of organizational knowledge.

After that, the identification of the socionic type of employees (the type of information metabolism – TIM, which can be detected with the help of, for example, the MBTI test) is conducted, that is, their specific features in the perception of information and their professional behavior in the organization. After all, it is important that those more inclined to analytical work should work on solving the production problems, while those who have skills in working with people, should be engaged in advertising and active sales. If there are any discrepancies, the HR
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The manager should rotate the staff, which can improve the overall level of the department or the enterprise.

**Figure 1. Fragment of the corporate social network**

![Corporate Social Network Diagram](image)

The final stage in the creation and development of the business process of a learning organization is the formation of specific measures based on management decisions. The analysis of the expert survey results on the identification of measures for the formation and development of a learning organization showed that the most significant activities are the introduction of technology "learning through action", the employment of a permanent coach (training manager), the use of mentoring and coaching technology. The following three positions were taken by such measures as material and non-material staff motivation to attract each employee to use their knowledge, skills, abilities and experience in teamwork; trainings on improving communication skills; development and maintenance of the knowledge base in the organization, which is accompanied by the formation and functioning of problem groups for solving various common tasks.

Figure 2 displays a methodical approach to the formation and development of a learning organization, which is based on the six main stages described. Learning through action involves the development of personnel through the passing of situations and solving problematic issues, being aimed at obtaining the necessary knowledge, skills and abilities to increase the effectiveness of individual and teamwork. This methodology is inextricably linked with the mentoring methodology, which remains the most effective way to quickly adapt personnel at a new workplace. However, now very often mentoring is changed to similar technologies: coaching and budding.

The difference between coaching and mentoring can be explained by the fact that the coach contributes to the independent development of staff, to increasing its business
activity due to increased motivation for work and elimination of psychological barriers. Budding is a new progressive learning technology, the essence of which is that the learning person is not under the pressure of an authoritative mentor or a coach, that is, his/her connection with an experienced colleague (“senior fellow”) is almost equal and, as a result, training can lead to higher results.

**Figure 2. Methodological approach to the formation and development of a learning organization**

| 1. Identification of the company’s compliance with the principles of a learning organization |
| 2. Assessment of the company’s readiness to adopt this strategy |
| 3. Analysis of the company’s social network |
| 4. Assessment of the teamwork abilities of employees |
| 5. Identification of the socionic type of employees |
| 6. Formation of specific measures based on management decisions |

The use of budding in the conditions of building and developing a learning organization is especially important, as, because of the lack of pressure and the establishment of clear rules and regulations on the part of the mentor, a new employee can provide the enterprise with a maximum of own knowledge and innovative ideas. The main advantage of mentoring, coaching, and budding compared to other methods of staff training is a low level of costs with a high efficiency index. However, in this case, the issue of stimulating staff, which transfers its knowledge, skills, abilities and experience to other employees, is crucial. Experts believe that to increase the efficiency of these learning technologies, which are key in the development of a learning organization, the company needs to develop a system of additional payments or bonuses, provided that successful training is achieved.

Experts agree that for the building and development of a learning organization, it is necessary to employ a training manager (coach). Such organizational changes will
be quite costly, so they can be justified in the conditions of enterprises with a rather large number of employees. The training manager can not only conduct active learning (trainings, lectures), provide staff coaching, but also monitor the communication network.

Among the tools for building and developing a learning organization that, according to the results of the expert survey, are not paramount, one can note the rotation of staff. The use of moving staff both horizontally and vertically can lead to an increase in the professional level of individual employees, increase information flow between departments or services and accelerate the process of accumulating organizational knowledge. If a middle manager, who is in the staff reserve, temporarily holds the position of a top manager or, which is more often, executes his/her particular job duties, then in a short period of time one can achieve these results to accelerate the flow of knowledge and information at the enterprise. Rotating the staff horizontally improves the interaction between hierarchically equal corporate departments or services. A temporary rotation of a middle manager to a lower position leads to a study of the experience of the lower levels, which in the future will allow achieving an increase in the effectiveness of making managerial decisions. Among the motivational aspects that are important in the process of staff rotation, one can note the employee's satisfaction with the new position, new functions and duties. At the same time, staff rotation leads to the formation of camaraderie between employees, improving their interaction and teamwork.

4. Discussion

The rapid development of technology has led to the fact that current companies have the opportunity to train not only outstanding workers, but also all others. In addition, companies can teach not only knowledge and skills required for a particular job, but also skills that are not directly related to the work performed. According to Peter Senge, who introduced the term "learning organization", "the emergence of learning organizations is part of the evolution of the industrial society. Mass material prosperity gradually changed the attitude of people towards work" (Senge, 2009; Medvedeva et al., 2015; Gorina, 2016).

In other words, in the abundant world, a person needs something more than a material pay. The success of the modern organization lies in the desire not only to succeed, but also to achieve the well-being and personal development of its employees. It is from the personal growth of individual workers that overall organizational growth develops. That is, how much the company is capable of adaptation depends on the level of its human capital. Thus, it is the quality of human capital that influences the competitiveness of the organization. The human capital quality determines the labor productivity in the company.

The creation of an integrated system of labor incentives implies a change in the attitude towards the staff, as the needs and abilities of a person have changed.
Companies need to come to understand that working time occupies most of the life of a capable person, so caring for an employee is not a cost, but an investment in the company's human capital. This involves professional development of the employee, care for his/her health and well-being (medical care, disease prevention, nutrition, improvement of living conditions, assistance in organizing children's recreation, etc.). These are measures that increase labor productivity by increasing professionalism, satisfaction with job and life in general, reducing anxiety, raising and maintaining health, and releasing energy for effective work. Measures of this kind make it possible to achieve employee loyalty without monetary motivation, which is a temporary phenomenon as such. The development of an integrated system of labor incentives includes the activities to create and maintain an organizational culture. The creation of an organizational culture at the enterprises of Russia will enable to solve the problem of the national mentality, which manifests itself in the attitude to work. First, there is no affirmation for productive work; second, there is no culture of labor or labor discipline; third, for the bulk of the population there is no value of labor.

Creation of own continuous training system reduces the dependence of the company on the labor market situation, and allows solving the problem of insufficiently qualified labor. The impact of unskilled personnel on the company is manifested through:

- decline in labor productivity;
- difficulties with the introduction of new technologies and renewal of fixed assets;
- inefficiency of business processes;
- increase in production faults;
- decrease in the quality of products and services;
- absence of leaders and candidates for managerial positions;
- turnover of staff, etc.

The introduction of the corporate training system is relevant in connection with the acceleration of scientific and technological progress, frequent and spasmodic technological breakthroughs, technical renewal and global instability. Companies face the need for constant or frequent updating of knowledge and skills, for developing universal skills that allow workers to successfully and creatively resolve operational issues. The trend, the request in the business environment for leadership and increasing the creativity of staff is associated with the turbulence of the world economic environment, which requires taking of decisions and responsibilities, non-standard approaches at all levels.

The creation of a learning organization is aimed at constantly updating the professional knowledge and skills of employees. Together with other measures, such as the creation and maintenance of organizational culture, the construction of corporate architecture, etc., as mentioned above, the creation of a corporate training
Now, the education that a person receives after graduating from the university, is disjointed. With rare exception, systematic and regular professional development is initiated by the employee independently and outside the enterprise. At the enterprises themselves, in overwhelming cases, the training events do not represent a coherent system correlated with the strategic goals of the company’s development and considering the general economic and sectoral – external trends. According to the Federal State Statistics Service, in Russia in 2016 more than 2 million 832 thousand people received additional vocational education, with the total number of the payroll employees exceeding 30 million people. At the same time, more than 700,000 people live in the Central Federal District, of whom over 500,000 are residents of Moscow (Federal State Statistics Service, 2016). Meanwhile, corporate education can solve such basic tasks as insufficient or irrelevant qualification of hired personnel, staff turnover and low labor efficiency, social harmonization of the society.

The concept of lifelong learning, a very popular educational trend in developed countries, in addition to the national education strategy, presupposes the existence of developed and effective systems of training at work and the formation of appropriate skills through which a person can effectively learn during his/her life (Tsang, 2012). Continuous professional education (CPE) is an important part of the concept of lifelong learning and in the context of the rapid development of ICT, CPE can and should, as we have already noted, cover the employees at all levels, at all stages of their work. The present level of human resources management provides opportunities for effective staff rotation, for non-linear career development and changing career paths. This enables the self-fulfillment of both the individuals, in accordance with their needs, opportunities and abilities within the company, and the company to effectively use the available personnel.

In Russia, because of an insufficiently high level of human capital management, the mentality and an outdated educational paradigm, which leads to inadequate knowledge and inability to apply it in practice, all this contributes to excessive mobility of labor resources. The turnover of staff does not contribute to the employer's confidence in the payback of investment in staff training in the form of higher labor productivity.

In modern scientific research on economic problems, the topic of the impact of learning and learning organization on labor productivity is one of the most urgent. The topic is examined from different angles – from the position of the employer, employee, society and state. The problem is studied in the context of the concept of lifelong learning, continuous vocational education, improved work efficiency, new educational technologies, against the background of the rapid growth of mass open online courses (MOOC), education reform, innovative culture, etc. (Bapuji and
Crossan, 2014). However, the task of a learning organization is primarily related to the constant updating of knowledge and skills (Shipton, 2013). A learning organization is a flexible organization that creates, adopts, accumulates and transmits knowledge and skills in the context of rapid changes in the external environment. There are a number of factors that prevent the organization from becoming a learning one, among them:

- low return on learning;
- stereotyped thinking (Senge, 1990; Aşcı et al., 2016);
- rigid and inefficient organizational structure;
- disunity of staff;
- lack of corporate culture (no common values, vision, loyalty, openness to the new, etc.);
- labor organization and the atmosphere are not conducive, does not encourage training;
- lack of training elements built into the workflow;
- lack of understanding and vision of management;
- no transfer system (mentoring) and accumulation of knowledge and skills, tools to promote innovation (rationalization);
- ignoring such a training channel as sharing experiences with partners and suppliers, etc.

At the same time, some factors positively influence the increase in productivity, among them:

- informal learning (Kim et al., 2016);
- personal involvement (Fletcher, 2016);
- knowledge transfer (Argote and Fahrenkopf, 2016);
- absence of obstacles for know-how (rationalization);
- leadership, accumulation and exchange of knowledge (Shin et al., 2017).

The authors opine that solving the problems of the firm's competitiveness, increasing efficiency and productivity, adaptability to changing external conditions, is possible only with an integrated, systemic approach. It is impossible to build a learning organization without considering the peculiarities of the national mentality, as well as it is impossible to introduce advanced educational tools and methods without taking up organizational design, creating a modern human resource management system.

5. Conclusion

The volatility of the global economy, the accelerated and spasmodic development of science and breakthrough technologies, information and communication technologies have changed both business and labor, personal paradigms. The era of the knowledge economy led to the first role of man. The way of adapting a business
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to an unstable environment is investing in human capital – creating a learning organization through a learning system, transferring, sharing knowledge and accumulating human capital within the company, creating an atmosphere conducive to development. However, it is impossible to build a learning organization without related activities such as an integrated, systematic approach that can debug the mechanism of the enterprise's functioning and increase its adaptive abilities in the external environment. The scientific novelty of the results is that the methodological approach to the formation and development of the learning organization has been improved, which differs from the existing ones by the availability of a set of tools systematized in accordance with the stages of building and developing a learning organization. This will ensure the adoption of managerial decisions on the formation and implementation of a list of measures to develop a learning organization.

So, in this paper, the main features of the learning organization were identified with the help of a detailed analysis of this category, and then a methodical approach was worked out to introduce this concept in the enterprise. The key stage is the development and implementation of measures to develop a learning organization; therefore, further scientific research will be carried out in this direction.

References:


