

Cultural Learning Organizations: A Model

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III. The 'learning organization' and the public non-profit sector

The most relevant authors about LO have developed its concept for the most part having in mind the private and profit sector. Thus, most of the examples they provide refer to business companies ruled by profit and private laws. Only in recent years has a certain interest emerged about how public and non-profit organizations could implement LO model or at least, some learning strategies to adapt to a new challenging environment.¹ Public and non-profit organizations are facing pressing circumstances nowadays that require them to become more proactive than reactive to survive under these new conditions. Thus, these authors propose LO concept as a tool to stimulate innovation and, therefore, to foster organization survival.²

Most of the literature about LO and public/non-profit organizations only focuses on the existing barriers for learning and innovation that these organizations suffer. The peculiarities of public non-profit organizations that are commonly referred to can be classified in three groups. Firstly, those related to organizational aspects like bureaucracy or a tendency towards bureaucratization (Finger & Burgin, 1999) and highly inflexible structure (Thayer & Hunter, 2005). Bureaucracy and its rules, routines, standard process, work division, impersonal work relationships, hierarchy and complete operation predictability appear to be incompatible with LO team problem solving and participative decision-making. Moreover, both an inflexible structure and a bureaucratic culture make change (that is connatural to LO concept) difficult

¹ This attention has been stronger in consultancy domain than in academic research. It is, therefore, necessary and expected further academic research to be carried out in the future.

² In this long study I focus on organizations that have both natures: public and non-profit. Although private non-profit organizations share some common problems with them, they have some particularities that exceed the scope of this study and therefore, will not be treated.

and slow. However, as I indicated previously, further research is necessary concerning the relationship between LO and hierarchical and bureaucratic structures.

Secondly, other features viewed as barriers for learning are those related to external/environmental limitations like public mission, accountability, mode of financing (Finger & Burgin, 1999), public scrutiny (McHargue, 2003), political struggles and a risk-adverse mindset (Vigoda et al., 2005). These institutions are created by public, governmental or administrative decisions in order to serve public interest. So, their purpose and mission are not only included in their foundational chart but are also the main reasons for their creation. This implies that the organization must accomplish its institutional purpose and that its mission cannot be changed by organization members. They must respect what has been set up by its public founders. This can be viewed as a certain obstacle for the principle of LO shared vision that involves the idea of an internal and collective generation of purpose and mission.

Similarly the fact of being a public non-profit institution introduces accountability issues that affect the strategies, actions and activities of these kinds of organizations (Kearns, 1996). Thus, implicit expectations of public funders and other stakeholders³ about the way public money is spent and the quality of organization services can act, then, as a barrier to implement new innovative learning strategies. Any innovation or change will be directly observed, scrutinized and controlled and will have to be well-argued to be accepted and not criticized. This can stop 'generative learning' if organization members feel that any proposal will take a long time to be approved and implemented or that any political or ideological debate about change in the organization can put the organization's future at risk.

Likewise, another relevant issue is the fact that most public organizations have political boards of directors that represent national, regional or city governments. This has important consequences in organization life because political ideologies and ideas of board members are

³ General and expert public, media, sponsors...

not always compatible and change according to election outcomes. Political struggles, therefore, naturally influence public organization life. It also implies that any substantial, strategic and conceptual change intended by the organization should be approved and accepted by these boards. Politicians are reticent to innovation in public institutions if changes can affect their position in real politics; and might not be too interested in taking new risks. The risk-adverse mindset is, then, an influential barrier for 'learning' as well (Vigoda-Gadot et al., 2005).⁴

Thus, all these aspects⁵ can block experimentation by organization members due to the fear of putting in danger the organization's survival with new ideas that might not be easily assimilated by external stakeholders. But experimentation is inseparable from learning organizations.

In addition, these organizations do not obtain their funds directly from those to whom they provide services (Taylor, 1998; McHargue, 2003). The fact that long periods of time can go by between a service becoming "irrelevant, inadequate or inefficient" and the withdrawal of funds can eliminate "a critical pressure for learning" (Taylor, 1998). This pressure, however, is necessary to keep reflecting on organization processes and improvement. Moreover, its dependence on public funding, always under threat of budget cuts, and the sometimes unavoidable search of private funds to survive, also introduces stress in the organization that obstructs empowerment, engagement and learning (McHargue, 2003).⁶

Finally, authors include a third group of constraints: those properly related to public sector conditions, like labour union influence and public and administration law (Finger & Burgin,

⁴ The role of Board of Directors in facilitating or limiting learning in organizations in the private sector have been studied by Tainio et al. (2001). Further research is needed in the public non-profit sector.

⁵ Accountability, public scrutiny, political struggles and a risk-adverse mentality.

⁶ Members of this kind of organizations are, in general, more interested in providing services than in fund raising, which is judged to be a time-consuming and frustrating task.

1999). Nevertheless, although it has been determined that labour unions can be a barrier to organizational learning (Drinkuth et al., 2001), in my opinion, they can, on the contrary, play an essential role in public organizations to foster the implementation of new innovative strategies. As representatives of the organization, employees can be convincing advocates for change and innovation. Their position should not be underestimated in this process.

Public and administrative laws imply compulsory requirements and sometimes insurmountable limitations that are incompatible with certain LO principles. Thus, for example, personnel laws can restrict salary and reward policy in this kind of organizations. Salaries are limited according to public tariffs and are not linked to performance most of the time. Likewise, reward systems are not included or are very limited and inflexible. This introduces rigidity in organization system and blocks possibilities for recognition based on good job and skills/learning development. Therefore, public non-profit organizations can find difficulties in implementing reward systems, a key cornerstone of LO.

It is true that all these issues can create some difficulties in implementing LO in public non-profit organizations but other circumstances also block learning in private organizations and, however, most of the literature about learning in those organizations focuses on possibilities and not on obstacles. It is odd that literature about LO and public and non-profit organizations mainly concentrates on inconveniences and does not try to find out what characteristics these organizations have that can, on the contrary, foster learning. In the next section I will try to identify some of those features that can promote learning and innovation in public and non-profit organizations. In addition, I will include some peculiar aspects of cultural institutions that can also facilitate learning or be a fertile ground to make a LO grow.