Abstract:

Most evaluation approaches make assumptions about change processes in the target organization or program. But there is little developed in the way of organizational change theory in the evaluation literature with which to guide evaluation practitioners as a foundation for these assumptions. Current management thinking which links organizational culture with strategic management is interested in constructs like "organizational learning", or "the learning organization". However, in the enthusiasm for this popular concept, theory has outpaced research and anecdotal observation has exceeded systematic study and measurement.

This paper points to research focusing on two domains of conceptual operationalisation, viz: organizational learning as a change in organizational culture; and organizational learning as the acquisition of knowledge, especially in the exercise of corporate memory. In the public sector evaluation can contribute to both domains, but often the available theory is of little value for use in the evaluation of organisational changes. It is intended to develop evaluation methods which can be used in an attempt to operationalise the assumptions or theories about organizational learning. This is an important step to facilitate evaluation of organisational change. It is not intended to verify any particular theory but to point out some theoretical assumptions which evaluation practitioners are making in this field; assumptions which need to be operationalised in the public sector. Some useful assessment devices and methods of research on organizational learning, are identified which can facilitate operationalisation of organizational learning theory and its use in evaluation of organisational change.
Are Theories of Organizational Learning Necessary for Evaluation?

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INTRODUCTION

"A learning organization is an organization skilled at creating, acquiring, and transferring knowledge, and at modifying its behavior to reflect new knowledge and insights".  
(Garvin, 1993, p. 80)

Organizational learning theory has taken on the trappings of a popularist club or even a ‘paradigm’ in the management literature (Argyris, 1992; Dixon, 1994; Garratt, 1987; Kim, 1993; Hampden-Turner, 1990, 1992; Senge, 1990; Senge, Roberts, Ross, Smith, & Kleiner, 1994). For example, Mintzberg (1994) identifies various schools of strategy formation, including what he calls the "learning school" which regards strategy as a process of collective learning in organizations.

Recently attention has focused on whether organizational learning can be seen in public sector organisations (Leeuw, & Sonnichsen, 1994; Rist, 1994). However, there has been very little research on the relationship between organizational learning and evaluation.

Indeed, there may be tangible signs of organizational learning in adaptive changes in policy and application of program evaluation results (Rist, 1994). When Governments encourage appropriateness as an evaluative criterion for program accountability (Sedgewick, 1994; Sharp, 1994b) and benchmarking (Sedgewick, 1995; Sharp, 1994a) these may be important tools in establishing the conditions for organizational learning (Rist, 1994). But these may not be the necessary, nor sufficient, indicators of organizational learning (Sharp, 1996 a, b & c). Other factors, such as changes in organizational culture or the existence of a supportive organizational culture and appropriate human resource management and corporate memory management practices may also be important in establishing that organizational learning can occur. While organisational learning can be seen as an aspect of an organization's culture, the concept of "the Learning Organisation" is an ideal type of organisational culture (Baulderstone, 1994) to which practices, attitudes and values involving program evaluation, as well as other systems development techniques, can make a significant contribution (Owen & Lambert, 1995).

This paper takes up the challenge of Hampden-Turner (1990; 1992), Senge (1990) and others by attempting to "surface the assumptions" in the emerging paradigm of organizational learning theory. The question of whether organizational learning theories are necessary or not cannot be answered at present, but it is possible to point out that the existing theories are not sufficient. What is necessary is the development of useful research and evaluation tools to operationalise organisational learning theory.
THE ROLE OF TWO KEY CONCEPTS: ORGANIZATIONAL CULTURE & CORPORATE MEMORY

As a first step in operationalising some of the crucial concepts in organizational learning theory, two domains have been chosen for investigation, as pre-conditions for evaluation of organizational learning. These are focused on:

- organizational learning as a change in organizational culture (domain A); and
- organizational learning as the acquisition of knowledge, especially in the exercise of corporate memory (domain B).

If, as Hampden-Turner (1992) asserts, "only cultures can learn", then a change in organizational culture is a necessary condition for organizational learning. If this is so then how can evaluators operationalize and measure organizational learning, without operationalising and measuring organizational culture? Is organizational learning any change in organizational culture? What if there is a change in organizational culture due to severe staff turnover? Surely if staff turnover is severe enough to cause "corporate memory loss" (Sharp & Lewis, 1993) then this would adversely affect organizational learning as well as organizational culture? These questions are not addressed in the available literature on organizational learning.

Being so pervasive it is difficult to operationalise organizational culture and so still quite elusive to prove organizational culture change, when researching organizational learning. One way to re-conceptualise organizational culture is to categorise it in terms of the shared values of the participants (see Quinn & Rhorbaugh, 1983). Quinn and colleagues (see Quinn & McGrath, 1985; Quinn & Rhorbaugh, 1983) have devised a self-report scale (questionnaire) to research their "Competing Values Framework" (CVF).

The usefulness of organizational diagnosis is often related to the understanding of the organization's capacity to change or acquire knowledge (e.g., Kiresuk, 1993). In order to understand the role of organizational culture in organizational learning, it is important to explore the effects of the top management policy and the environment as influences on the culture in the organization, especially in organizational change programs. The process of organizational diagnosis can use the inference from the artefacts, such as corporate plans, about the organization's mission and values, and the corporate annual reports may be an indication of the organization's paradigm and beliefs (Schein, 1985; Johnson, 1992).

If a standard analysis of organizational culture could be applied to the beliefs and values expressed in an organization's public documents as might be used in a survey of the staff on organizational culture, then it would be possible to develop an indicator of organizational learning qua organizational culture change. Presumably, a reduction in the degree of difference or 'gap' between the "espoused values" (in key corporate documents) and the reported values (in a staff survey) would give an estimate of the extent of organizational learning (Sharp, 1993; Sharp, 1996; Sharp, Stanwick & Baulderstone, 1997).

Organizational Learning: Evaluation as the Exercise of Corporate Memory?

As with the human body's muscles and memory: "if you don't use it you lose it". There is increasing emphasis on survival of the fittest in international competitiveness, both in the public sector as well as the private sector. We are told there is a corporate international organizational learning race (Hampden-Turner, 1990, 1992). In order to survive in the 1990's
organisations are told they have to model themselves on the “learning organisation” concept. All these metaphors imply not only the need for exercise of corporate strategies, but also the exercise of corporate memory.

This metaphor is the basis for current research on corporate memory loss (see Sharp, 1996a; Sharp & Lewis, 1993), as well as having implications for the use of evaluation techniques in organisations (see Sharp, 1996b). To continue the metaphor evaluation can be the memory rehearsal mechanism which helps to recall and prioritize corporate memory of vital data, for decision making as well as to discard what is not needed and to assist in anticipating and rehearsing the costs and benefits, strengths and weaknesses of strategies in the development of the organisation's strategic management. Besides their utilisation in decision-making, the reports of evaluations have an added role in consolidating corporate memory, for future use.

Evaluation practitioners also have a role to play in consolidating corporate memory, as they tend to be the decision-makers about what to gather for the report and what to discard. Indeed, as pointed out elsewhere (Sharp, 1995) if evaluators are removed in downsizing organisations, there can be widespread effects on the corporate memory of the organisation, both through the loss of key staff with key components of the corporate memory in their heads, but also the loss of the capacity to review and re-new the corporate memory through evaluation practice.

Methods of Assessing Organizational Learning

One of the necessary steps for evaluation of organisational learning is to operationalize the measures of processes and outcomes which are implied by the assumptions, or theories, being proposed as the basis for organisational change. In an ongoing research program at Flinders University we have attempted to operationalize organizational learning by assessing the consistency of "espoused values" and values in use as corporate values-cum-culture, with the responses of staff to organizational cultural inventories. It is proposed to develop a method to test the theories of organizational learning by using the measurement of changes in organizational culture as an indicator of organizational learning.

In selecting a method for this type of research or evaluation, it is important to ensure that it is sensitive to the content which conveys relevant aspects of the organizational cultural, paradigm, and meaning. As Parker and Lorenzini (1993, p. 39) pointed out: "Explicit communications, such as written language, do not completely represent the organizational messages transmitted as part of a culture. It is also necessary to identify the 'words' behind the words."

Current methods assume that the content of documents (usually corporate annual reports are the most available) reflects the "espoused corporate culture" by the use of the corporate language (e.g., Kabanoff, 1993; Parker and Lorenzini, 1993). Another paper in this conference (see Sharp, Stanwick & Baulderstone, 1997) explains this application of computer assisted content analysis (CATA) methods to assist in examining and evaluating changes in organizational culture.

Corporate memory depends on the storage and recall of soft and hard data collected in the routine work of staff. Often the individual items of data are not explicitly vital or strategically important to the organisation, but the aggregation of this data into information pertaining to staff roles and functional relationships in the organization and external to the
organization can be extremely important - especially if the person who gathered or holds that information is not available at a crucial time. How can the value of corporate memory be evaluated? If the organisation does not know whether staff have recorded and disseminated strategically important information, how can the organization maintain its corporate memory?

In another series of studies (Sharp, 1996 a, Sharp & Lewis, 1993), it has been proposed that staff and their supervisors and subordinates in various organisations be surveyed to compare the information they gather and communicate in terms of its strategic and operational value to the organisation. It is proposed that such information is necessary before we can determine what aspects of corporate memory are vulnerable to staff turnover. Unless we have such information it is difficult to evaluate the risk of corporate memory loss, and the exposure to limitations or failure of organizational learning.

CONCLUSION

If organizational learning depends on the intention or purpose of the organization and its change of staff attitudes and organizational culture learning, then how do we evaluate organizational learning, if we cannot measure organizational culture change in relation to intention or espoused theory or espoused values? Similarly if organizational learning depends on storage and retrieval of corporate memory, how can an organization learn if it does not know what aspects of corporate memory were important to its development or strategic to its marketing? This paper has attempted to identify such dilemmas in current theory about learning organizations.

It would be premature to offer solutions or syntheses for these dilemmas. Rather, it is necessary to chart the research emerging from identifying these issues. By asking whether theories of organizational learning are necessary, it was intended to provoke a closer scrutiny of the gaps in theory, research and development in the field. It is hoped that by identifying these gaps and at least one approach to operationalizing these elusive intervening variables, like measures of change in the organizational culture, and corporate memory, then the field may be able to move further forward. Without the necessary operationalisation of theory and the accompanying research methods evaluation of organisational learning is problematic.

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