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Creating a Learning Culture

Imagination is the beginning of creation. You imagine what you desire, you will what you imagine and at last you create what you will.

—George Bernard Shaw

To create a culture in which learning is the rule, not the exception, nonprofits must remove the barriers to learning and reward behaviors that facilitate learning: risk taking, action learning, feedback, and reflection. For example, a nonprofit that provides mental health and substance abuse intervention services has created a program evaluation, research, and training arm. This new department examines the effectiveness of the organization's programs. In collaboration with a local university and external funding, the nonprofit has made learning from its own programs integral to the way it functions. New knowledge from the evaluation of its programs immediately becomes part of planning and staff training and then is disseminated to the mental health field.

Another example is a community foundation that believes it should always strive to do better for its customers, so it periodically asks

grant applicants for feedback about the quality of the foundation's services. The foundation uses this information in staff meetings to take stock of its performance and identify changes it can make to increase customer satisfaction. They ask themselves questions such as "What can we do to streamline the application process?" "What can we do to help grant applicants prepare better applications?" and "What can we do to help nonprofits that we fund become more sustainable?"

Still another example is a management support organization that experiments with new training programs for local nonprofits. Feedback from these sessions and data from follow-up surveys are used to change the program content and change the way in which nonprofit managers and their board members are assisted in the community. Some programs are continuously improved, some are discontinued, and new programs are added over time.

In each of these examples, self-examination is central to the work of the organization. These organizations regularly assess themselves and then use that feedback to adjust and change their goals as well as their programs and processes.

Nonprofits must take the time to step back, take a look at themselves, make sure that what they are doing is aligned with what they want to achieve, and then have the courage to change if needed. In describing this kind of change, Sussman (2003) writes that

high-performing nonprofit organizations, those demonstrating adaptive capacity, are voracious learners. They are inquisitive in that they seek out data and information: they use it to learn, and then they apply and share their newfound knowledge. (p. 22)

Often, the pressure for training and education in nonprofits comes in the wake of faddish reform efforts that start in other sectors. Paul Light (2000) points to the danger of hitching the nonprofit wagon to these movements. His concern is that reform is still just a short-term effort to address gaps in performance. Reform tends to homogenize organizations, whereas a learning culture promotes diversity in thought and action. Nonprofits don't need the latest business fad; they need a culture that supports continuous learning for continuous improvement.

Continuous Learning

In a learning culture, the acquisition of new knowledge and skills is supported by aspects of the organization's environment that encourage surfacing, noticing, gathering, sharing, and applying new knowledge. These conditions are not always readily visible or measurable, but they are always affecting organizational learning. The culture of the whole organization, the ways in which people communicate with each other, the ways in which people lead, how the organization evaluates its performance, the physical environment of workspaces, and knowledge management all have an impact on sustaining learning over time.

This is a culture of inquiry. It is an environment in which staff and volunteers feel safe to ask questions about the purpose and quality of what they are doing for customers and other stakeholders. Employees are empowered to ask questions such as the following:

What customer outcomes do we want to achieve?

Are we organized to achieve those outcomes?

Is this program helping customers achieve those outcomes?

What should we be doing differently to make it more likely that we will achieve those customer outcomes?

And even more fundamentally,

How can we continue to know our organizational effectiveness?

How can we use that information collectively to change and grow?

The role of nonprofit managers is to help shape a culture of learning; to make the pursuit of learning part of the fabric of organizational life. Learning should be apparent in the values and expected behaviors. Staff and volunteers should be expecting to acquire new knowledge and new skills, and to have their beliefs challenged on a day-to-day basis.

Role of the Board

Nonprofit board members are critical to creating a culture of learning because they set the tone for the entire organization. If

they are practicing and modeling learning, it is likely the whole organization will follow.

One framework for engaging a board in learning is The Strategic Board™ model. This model promotes board member involvement in organizational learning. The model uses an approach to board and staff planning that helps board members and staff learn together and learn how to learn together (Light, 2001). At one level, it takes them through a joint process for creating four plans: (a) a leadership plan (vision, values, and goals); (b) a delegation plan (who does what); (c) a management plan (what needs to get done immediately); and (d) a vigilance plan (monitoring, evaluation, and accountability). At another level, the process teaches board members and staff how to work together for a common purpose and thus build their capacity to be an effective organization. Mark Light, developer of this model, used it with much success while president of several arts organizations and then with other types of nonprofits. It is an effective way of disrupting the usual patterns of passive participation and making board members active in helping the organization learn about itself.

Renz (2004) suggests that boards need to answer two central questions for themselves:

- What is the work this board needs to accomplish to meet the needs of this organization?
- How do we best connect this organization to the community and its most important constituencies?

By addressing these two questions, board members are learning what really matters to them as a group. The answers will fall along a continuum from a strong strategic focus to a strong operational focus and from broad and active stakeholder involvement in decisions to a few leaders making all of the decisions for the organization. Each nonprofit must decide for itself where its board should be on these two continua. The process engages a board in self-examination and reflection. The answers will not be the same for every board.

Organizational Learning

Organizational learning is defined as the process of forming and applying collective knowledge to problems and needs. It is learning

that helps the organization continually improve, achieve goals, and attain new possibilities and capacities. It taps into employee aspirations, fueling commitment and creating the energy to change.

An organization learns when its employees are continuously creating, organizing, storing, retrieving, interpreting, and applying information. This information becomes knowledge (and, hopefully, wisdom) for improving the work environment, improving performance, improving work processes, and achieving long-range goals that will make the organization successful. The learning is intentional; it is for the benefit of the organization as a whole.

Organizational learning is not a simple process. It is constant reexamining and changing ideas about how to be effective. Organizational learning demands long-term work at changing the day-to-day behaviors and practices of individuals, groups, organizations, and communities. This kind of learning requires commitment and leadership.

Methods of learning can be directed at one or more of the four levels: individual learning, small group learning, whole organization learning, and community learning. This separation of levels is somewhat artificial because considerable overlap occurs among the levels. However, you will find that the categorization makes it easier to identify and select strategies that fit problems, challenges, and needs as they arise.

Furthermore, the complexity and rapid change of work today requires collective learning. Members of a work team learn how to solve problems together. A large nonprofit learns how to do strategic planning as a total organization. In neither of these examples do they simply complete the immediate task; rather, each develops the capacity to perform these tasks successfully in the future.

Learning is critical to the survival of organizations in these rapidly changing times. As Noer (1996) said,

Organizations of the future will not survive without becoming communities of learning. The learning organization is no academic fad or consultant's buzzword. It is absolutely essential for organizations to learn from their environments, to continually adjust to new and changing data, and, just as is the case with the individual, to learn how to learn from an uncertain and unpredictable future. (p. 176)

Garvin (1993) explains this need for a commitment to organizational learning in this way:

Continuous improvement requires a commitment to learning. How, after all, can an organization improve without first learning something new? Solving a problem, introducing a product, and reengineering a process all require seeing the world in a new light and acting accordingly. In the absence of learning, [organizations]—and individuals—simply repeat old practices. Change remains cosmetic, and improvements are either fortuitous or short-lived. (pp. 78–79)

Garvin argues that organizations learn through five main activities: problem solving systematically, experimenting with new approaches, learning from their own experience and past history, learning from the experiences and best practices of others, and transferring knowledge quickly and efficiently throughout the organization. Nonprofits must find ways to build these activities into their daily lives. An organization that employs these activities is constantly looking for the root cause of problems, trying new ways to solve those problems, informing others about what was learned from these experiments, and using this learning to improve. This kind of nonprofit has developed a system for implementing these activities that works within the culture of that organization. A responsive and nimble local Boys and Girls Club can try things and do things in a way that is not possible for the national Boys and Girls Clubs of America to do. However, the larger and more bureaucratic organization can develop its own system for institutional change. One organization is learning how to make local communities better places for kids, and the other is learning how to respond effectively to the needs of its member clubs.

Senge (1990) explains that organizations learn by applying five disciplines. The first is *personal mastery*, which is personal capacity building. The second is *mental models*, which is challenging and changing our way of thinking about the world around us. The third is *shared vision*, which is achieving a collective sense of where we want to go as an organization and how to achieve that goal. The fourth is *team learning*, which is small groups of people learning how to learn together. And the fifth is *systems thinking*, which is recognition of the interdependence of the parts of a social system and how to leverage change throughout that system. Senge is asking us to

change the way we typically think about learning. He is asking us to look at organizations as open systems that have a dynamic interdependence of people, resources, and structure that can be leveraged for positive change. People need to build their own capacity to learn and change, each team's capacity to learn and change, and the whole organization's capacity to learn and change.

As you can see from these definitions of organizational learning, simply attending classes, workshops, and seminars is not sufficient. These training events might contribute to individual learning, but they are not sufficient for long-term individual, team, and organization success. For that, nonprofits need to develop their own unique processes for assimilating new information, translating that information into knowledge, applying that knowledge to real needs, and receiving feedback to revise the information and reshape the knowledge.

Organizational learning is a continuous process, whereas training is an event that occurs at brief points in time. Learning from the serendipity as well as the design of work, followed by immediate application and feedback, can't happen in a classroom. Learning has to occur when and where there is opportunity.

Organizational Learning Versus Training

It is easy to assume that learning in organizations is simply about training and education programs. Nonprofits have been fairly good about providing training and educational opportunities for their employees. They do this through their own human resources departments, local university programs, management support organizations, professional associations, and consultants. An employee attends a half-day workshop on grant writing given by a local university. An employee returns to school to finish a Master's in Social Work degree. A board member attends a one-day program on the fiduciary responsibility of board members offered by the state's association for nonprofits. Each of these examples is a potentially beneficial individual learning opportunity.

However, individual training and education, although helpful, are not necessarily the kind of learning that results in enhanced organizational effectiveness. Nonprofits need to be continually learning as a total organization; learning how to improve performance and learning how to learn how to improve performance.

Levels of Learning

In high-performing nonprofits, four levels of learning occur simultaneously: individual learning, team learning, whole organization learning, and community learning. The first three levels are internally focused. The fourth level, community, is externally focused and is one of the primary ways in which nonprofits are different from other types of organizations. They have an obligation to improve the quality of life in a community wider than just their own organizations. The next four chapters explain these four levels in more depth; an overview is provided here.

Individual Learning

Individual learning occurs as each person acquires the knowledge, develops the skills, and adopts the attitudes and beliefs that will help the organization succeed (however success is defined). Individual learning prepares employees and volunteers for the inevitable changes that will occur in the goals and work processes of the organization. In addition, individual learning creates greater self-awareness in order for each person to become a more effective human being. This is Senge's (1990) notion of personal mastery. Goleman (1998) calls this developing emotional intelligence. It is the self-awareness and sense of competence that allows one to take risks, accept feedback, learn from successes and mistakes, relate effectively to others, and stay focused on personal goals.

Of course, all learning occurs first within individuals. But to the extent that the collective know-how and know-why (Kim, 1993a) of individuals changes the culture, behavior, and effectiveness of the group or whole organization, the group or organization can be said to be learning. For example, you and each person on your team might have learned how to prepare and monitor a budget, but figuring out how best to handle a major reduction in revenue (e.g., discontinuation of a foundation grant) requires the synergistic thinking of the entire team. It is not the sum of the individual learning, but the creativity and knowledge that comes from the team members learning together that results in a successful solution.

Team Learning

Team learning occurs as the members of a group discover together how best to contribute to the performance of the group as a whole.

They learn from and about each other, how to work effectively as a group, and how to apply that knowledge to achieving the purposes of the group. Not all groups in the workplace are teams (Katzenbach & Smith, 1993), but all groups can achieve some group learning. Because of their shared goals and the value they put on member interaction, teams achieve more group learning than other types of work groups.

Team learning occurs as “a continuous process by which team members acquire knowledge about the larger organization, the team, and the individual team members” (Russ-Eft, Preskill, & Sleezer, 1997, p. 139). This knowledge resides with the team as a whole and not with any single individual. It is what maximizes the effectiveness of the team as everyone on the team works toward shared goals and shared processes for achieving those goals.

Whole Organization Learning

Whole organization learning is the “ongoing processes and integrated systems that facilitate individuals’ and teams’ ability to learn, grow, and change as a result of organizational experiences” (Russ-Eft et al., 1997, p. 268). This occurs when managers can eliminate boundaries that prevent the free flow of information across the organization. You should ask yourself, “What can I do to help this organization learn about itself; learn what results in new knowledge, skills, attitudes, and beliefs; and learn how to create a culture of learning? How can I be a ‘merchant of light’ (Rubin, 1998), illuminating a challenge so that others can see?”

Whole organization learning is achieving a shared understanding throughout the organization and creating the capacity throughout the organization to improve processes and achieve strategic goals. Marquardt (1996) had the whole organization in mind when he said that

organizational learning occurs through the shared insights, knowledge, and mental models of members of the organization. . . . Organizational learning builds on past knowledge and experience—that is, on organizational memory which depends on institutional mechanisms (e.g., policies, strategies, and explicit models) used to retain knowledge. (p. 22)

Whole organization learning is about building the capacity of large, complex organizations to change continuously. The American Red Cross changed its mission to encompass not just blood banks and

disaster relief but also emergency prevention and training. Boys and Girls Clubs changed from offering only after-school recreation programs to also offering career development for disadvantaged youth. A large, private foundation changed from a preoccupation with “getting the money out the door” to a commitment to be a facilitator of change for the betterment of communities. A large university hospital changed from doctors and research first to patients and families first. Each of these organizations has had to learn how to become a different organization in order to achieve its new goals.

Community Learning

Nonprofits have a special role to play in helping communities learn how to build their capacity to improve the quality of life for all citizens. Nonprofits already have a vested interest in quality-of-life issues, and often they are perceived as neutral actors in local issues. This puts them in a position to bring key stakeholders to the table to work on these issues.

The community of a nonprofit is defined broadly as the set of external constituencies. The community for a food bank is defined by geography. The community for a symphony is defined by patrons. The community for a professional association is its members.

With the help of nonprofits, communities can develop processes to evaluate their current state, plan for change, and build consensus around contentious issues. For example, geographic areas—such as towns, cities, municipalities, metropolitan regions, and even states—can learn how to improve social services, provide education for all youth, protect the environment, ensure health care for everyone, and create livable spaces. They can assess the gap between where they are and where they want to be, set goals for what they want to achieve as a community, and build the capacity to continue to confront new challenges that they will face.

Learning How to Learn

Think of a skill that you have tried to learn recently. A musical instrument? A new computer program? A dance step? Cross-country

skiing or inline skating? How did you approach the task of learning? Did you read about it first or discuss it with experts? Did you watch or listen to others doing it? Did you carefully analyze their behavior, or did you fix a mental image of the skill in your mind? Did you hire a coach or attend a class? Or, did you just start doing it, learning from trial and error?

Each of these methods represents different ways in which individuals prefer to learn a new skill. There is no one right way, just different ways that individuals prefer depending on life experiences, the way individuals process information in their brains, the specific circumstances of the learning, and attitudes toward the skill. You can maximize organizational learning by being aware of how employees and volunteers prefer to learn in a given situation and helping them to use a variety of methods to facilitate their learning. This is helping them learn how to learn.

Start by noticing how you learn best in different situations, what the conditions are, and why you learn best under those conditions. This means taking a mental step back from the learning process and analyzing what it is about the process that helps you learn and what the barriers are to your learning. As an individual, maybe the best way for you to learn how to use new accounting software is by trial and error. You like to start using the package in your work and figuring it out as you go along. Maybe the best way for you to learn how to give performance feedback to someone you supervise is to role-play the situation with an experienced coach who will then observe your interaction with the employee and evaluate your actions.

When you understand your own learning style, you can help others learn how to learn about

- themselves
- interacting effectively with others
- technical skills to do their jobs
- the organization's vision, mission, values, guiding principles, and strategic goals
- their customers, clients, volunteers, and other stakeholders
- business processes
- the external environment
- the future and how it will affect their activities.

You can help by showing others how their individual behaviors can contribute unintentionally to the organization's problems (Argyris, 1991). For example, senior managers who deny their own responsibility for problems in the face of subordinates' honest feedback to the contrary send a message that the organization does not value individual learning and improvement. Help these managers become aware of the negative influence they can have on the organization.

Small groups, whether work groups or teams, need to learn how to learn about working effectively as a group. You have probably participated in many groups that were given an assignment and proceeded through that task without attending to the processes and internal dynamics of the group that make learning possible. These groups are destined to repeat their failures and not improve on their weaknesses. They are not able to take full advantage of their strengths. This goes for the process of interacting and making decisions as well as performing the actual task. Some boards of directors will meet monthly for years, going through the same agenda each time, never discussing underlying assumptions, strategic direction, or leadership issues, even while the nonprofit is going into deep debt, losing experienced employees, and creating a negative image in the community. These boards have not learned how to learn together, and therefore, they cannot change. For example, they could learn by each person making known to the group his or her understanding of the group's purpose and by developing a shared meaning of their work together.

The organization, as a whole, needs to learn how to learn. You have heard the complaints:

“We keep reinventing the wheel.”

“The left hand doesn't know what the right hand is doing.”

“They are just rearranging the deck chairs on the *Titanic*.”

Sound familiar? These are metaphors for an organization that hasn't learned how to reach its potential. To learn, an organization must value and support generative learning. It can do this by creating mechanisms and procedures for individuals and groups to share their knowledge with each other, documenting and recording the

experiences of people across the organization so that everyone's knowledge and skills are accessible to the entire organization, and reflecting honestly across the whole organization on what people have done and how effectively they have done it. Your job is to help your organization appreciate the need for individual, small group, whole organization, and community learning and to contribute to creating a learning culture.

Bruno Laporte and Ron Kim talk about the challenges of creating a learning culture at the World Bank (Bellanet, 2002). In response to the question "What are the biggest obstacles you have encountered?" they said,

Culture. Trying to get people to recognize the value of sharing knowledge and learning from each other within the organization. Asking questions when they don't know something, and sharing what they do know. Looking at the accumulated knowledge, and recognizing the value of the free-flow of knowledge within the organization. We are trying to address that in a number of ways: changing formal evaluation systems; recognition and awards; knowledge fairs; stories to highlight behaviour of teams; and on the communication side—why/how KM [knowledge management] is beneficial.

This is an ongoing task. It takes more than 5 years to change the behaviour of an entire organization. However, we have seen significant changes moving from an inward-looking institution to make it more open to looking outside the organization and sharing more of what the Bank knows with external partners.

This World Bank experience demonstrates that creating a culture of learning is the kind of change that does not happen overnight. People need to think and behave quite differently from how they have in the past. Let's look at some of the ways you can shape a learning culture through communication, leadership, performance incentives, and physical environment.

Communication

Often what we think to be good interpersonal communication is actually a barrier to learning. Managers tend to say and do things to

keep morale high, to be considerate and positive, and to not open Pandora's box of problems. But, in effect, they are preventing employees from confronting problems and learning from mistakes. Managers' behavior often discourages asking questions about the underlying values and rationale for organizational decisions and practices. For the sake of harmony, bad practice goes unexamined. It is understandable. People do not want to experience embarrassment, loss of control, tension, and unhappiness in the workplace. However, the cost of avoiding problems is enormous. The organization cannot learn from its own behavior (Argyris, 1994).

To avoid these defensive routines, ask the hard questions and encourage others to do the same. Confront the hard facts and sensitive feelings. Ask, "What goes on in this organization that prevents us from questioning these practices and getting them corrected or eliminated?" and "What can we do to bring about a change?"

Afterwards, do not punish people for being open and honest when you hear their responses. You may be unaware that you are doing this, so be on your guard. If an employee takes a risk and tries something new and fails, focus on what was learned, not on what went wrong. If an employee challenges a practice that you started or you have supported, do not immediately try to think of reasons why the employee's thinking is wrong. Try to find ways in which you can incorporate the employee's ideas. If an employee asks, "Why do we continue to offer a service that is losing money?" do not say it is because that is what management wants. Find out the rationale and report this back to the employee who asked the question. Focusing on what went wrong, trying to find error in someone's ideas, and shifting blame are all examples of reactions that feel like punishment to the person at the receiving end.

Keep in mind the principles of dialogue presented elsewhere in this book. Try to understand the other person's point of view rather than convince that person of your position. Listen to each other, surface underlying assumptions and beliefs, and weave connections among ideas. Look for clarity. Do not look for solutions. Agreement is not important; what is important is listening to all ideas and opinions.

Once you fully understand the person's ideas and suggestions, demonstrate that you value this openness and honesty by acting on what was said. Communicate back to the person that the ideas and

suggestions had an influence. Maybe they affected your thinking or were part of a discussion among managers, or maybe they actually changed the practice. Implementing the suggestion is not as important as letting the employee know that you listened, you valued their comments, and that the lines of communication are still open between you.

Leadership

When people say “leadership,” what do they mean?

Most employees are not looking for another Gandhi or Churchill. For the most part, they just want someone who will help them be successful without a lot of pain. Unfortunately, what they usually get is someone who gets a lot of *things* done but does not help individuals, teams, the whole organization, and community with their learning.

A hierarchical, command-and-control leadership style is still the predominant style in all types of organizations today, regardless of values and mission. Although effective in certain situations, such as when efficiency and accountability are paramount, this style is generally a barrier to organizational learning. This style closes off vital input from the various parts of the organization and from outside. Hierarchical leaders put energy into maintaining the lines of authority and communication represented by the organizational chart and not into seeking and using information from inside and outside of one’s functional area (Rummler & Brache, 1990).

When stability was valued more than change, loyalty more than quality, similarities more than differences, and individuality more than teamwork, then the command-and-control style of leadership was effective. That style has dominated management behavior since the Industrial Revolution. Today, regardless of rhetoric to the contrary, that style still dominates management. However, in the current environment, and particularly in order to achieve organizational learning, a different kind of nonprofit leader is needed.

As Drucker (1996) has said,

All effective leaders . . . know four simple things: 1. The only definition of a leader is someone who has followers. Some people are thinkers. Some are prophets. Both roles are important and badly needed. But without followers, there can be no leaders. 2. An effective leader is not

someone who is loved or admired. He or she is someone whose followers do the right things. Popularity is not leadership. Results are. 3. Leaders are highly visible. They therefore set examples. 4. Leadership is not rank, privileges, titles, or money. It is responsibility. (p. xii)

Drucker is saying that the command-and-control style of leadership has given way to a leader who is respected, inspires right action, is visible, and takes responsibility.

Leadership of organizational learning can come from anyone at any level in a nonprofit. The model for this kind of behavior should come from the top of the organization, but others must step forward from time to time and provide this leadership when and where it is needed. An office assistant who says, "Let's try the new client database for 30 days, monitor its usefulness, and then come together and decide if we want to continue with it" is leading organizational learning. A manager who forms a team of people from across the organization to evaluate a pilot test of a new program and make improvements before widespread implementation is leading organizational learning. A trustee who engages the board in a discussion of indicators the organization should use to determine overall effectiveness is leading organizational learning.

For leadership to make a difference in organizational learning, it must be linked to the outcomes that the particular organization needs for success. These outcomes are specific performance improvements of the individual, team, organization, or community. This conceptual link between leadership and results for the organization should be made apparent to all stakeholders. Ask yourself these questions:

- What are the long-term outcomes that will indicate that the organization is successful? (Examples of indicators of success: revenue, sustainability, and accomplishment of mission.)
- What are the short-term objectives that, if achieved, will lead to these long-term outcomes? (Examples of indicators of progress: number of participants in programs, customer satisfaction, reputation in community, and efficiency of services.)
- What work processes need to be improved to achieve these organizational objectives?
- What are the critical job tasks that leaders in this organization must do to improve these work processes?
- What knowledge, skills, and attitudes do leaders in this organization need in order to perform these critical job tasks?

When the answers to these questions are aligned, you have a map that explains performance in your organization. You have a way to monitor learning and performance improvement. See the logic model description in Chapter 9.

Performance Incentives

According to Tobin (1998), effective organizations encourage learning

by enabling and facilitating the exchange of knowledge and ideas and by empowering employees to try new ideas. . . . If a new idea doesn't work out, the employee is rewarded for a thoughtful, well-conceived attempt at improvement—not punished for failing. Managers in these organizations coach employees and reinforce their learning to ensure that new ideas are properly applied to the job to add value to the employee's work. (p. 2)

Too often, the creativity and risk taking involved in trying new ideas are punished, not rewarded. It is not intentional, but leaders sometimes apply controls to situations that, in effect, send a contradictory message. For example, a foundation that said it wanted to encourage risk taking and be the “R&D for nonprofits” had appropriation requests denied by its board of trustees, from a few thousand dollars to multimillion-dollar projects. The lore of the organization held that anything too innovative or sensitive, that might create a negative response in the wider community, would be rejected by the trustees. True or not, this belief contributed to a culture that was incompatible with learning from truly creative and adventurous endeavors.

The right incentives must be in place to encourage learning. Incentives take many forms: money; promotions; new titles; new responsibilities; training and development; new work opportunities; public recognition; and probably the most overlooked incentive, just saying, “Good job.” The right incentive depends on the people being rewarded. Different people respond differently to different incentives in different situations. Whatever the incentive, for maximum effect, the key is to tie it clearly to learning through words and behavior. Staff and volunteers need to see the connection between their learning and the rewards. For example, if you want employees to learn how to work in a team, you must give team members the authority to

make decisions and show your support for them by accepting the consequences of those decisions. Let the group try and fail or try and succeed. Either way, they have the opportunity for learning. Give recognition to the learning, not just the successes.

Physical Environment

Is the physical environment of the workplace conducive to learning? Does the arrangement of workspaces and the foot traffic flow facilitate communication among employees? Are the people who need to learn from each other coming into frequent contact?

Most workplace learning occurs from informal interactions that occur because of proximity. Casual hallway conversations among coworkers might lead to comparing their experiences with a new process. Chance meetings between managers might result in discussing a new strategy for dealing with a supervision problem. Free-flowing, lunchtime discussions among work team members might generate an innovation in how they do their work together.

Tom Peters (1992) wrote in *Liberation Management*:

Physical location issues are neither plain nor vanilla. In fact, space management may well be the most ignored—and most powerful—tool for inducing cultural change, speeding up innovation projects and enhancing the learning process in far-flung organizations. While we fret ceaselessly about facilities issues such as office square footage allotted to various ranks, we all but ignore the key strategic issue—the parameters of intermingling. (p. 413)

Much traditional work space is designed for maximum control and maintenance of hierarchy. Line and lower-level workers are on the inside, maybe in cubicles or in an open space, whereas senior managers and executives are in outer offices with one window on employees and one window on the outside world. The higher your rank in the organization, the larger your office and the more sunlight. But if we asked “What is the best design for organizational learning?” we would end up with a much different configuration and allocation of space. We would design for maximum interaction of team members and among staff and volunteers who need to share information, make decisions, and solve problems together.

Small, entrepreneurial nonprofits that are short on space but long on commitment will have staff who are constantly sharing information with each other. This is simply because of their close proximity and desire to make a difference. As these organizations grow and require more space and operational controls, they are challenged to arrange the workspace so that sharing of information and learning from each other continues. One nonprofit, which started as a few idealistic individuals working in close proximity and, because of growth, had to move to larger office space five times over a 10-year period, discovered that each of these locations had a different impact on the quality of collective learning. The difference ranged from minimal interaction to intense interaction and learning, depending on the configuration of work spaces.

On an individual level, the workplace should accommodate the wide range of differences in how people learn. At times, some people need quiet and solitude. At other times, some people need contact with others and benefit from being surrounded by activity. Some people can handle and even thrive when there is distraction, and others cannot get anything done when they are constantly interrupted.

On a small group level, the workplace should accommodate the need for face-to-face interaction, the need for cross-functional interaction, the need for varying kinds of spaces in which to meet, and the need for space availability on short notice.

On a whole organization level, the workplace structure should be a visible statement that reinforces the values espoused by the organization. If organizational learning is valued, access to information, people, and technology that everyone needs in order to contribute to achieving the business goals should be evident in the design and management of the facility. Space and its use make a very powerful statement about who and what is valued by the organization.

You might not have authority to build a new facility, but you can try to influence how interior spaces are designed and used. As with any task outside of your experience, you should seek help from an expert (e.g., interior designer). Using the benchmarking method, you can see many good ideas implemented at other companies. The major office systems companies (such as Steelcase, Haworth, and Herman Miller) will be especially open to showing you examples of how work space can be designed to facilitate interaction and teamwork among employees.

Use a decision-making process to design your workplace. Relate the design to the values and goals of your organization (O'Mara, 1999). You can use the design problem to turn employees' attention to the future and the organization's strategic direction. You can ask, "If we have to live in this space for the next 5 years, what design would maximize our learning and performance?"

The design and management of the workplace contributes to organizational learning if you

- make space considerations part of strategic planning
- use an open office plan with work areas dedicated to teams whenever appropriate
- provide space for team members to meet formally whenever a meeting is necessary
- arrange people and offices so that informal, chance contacts are frequent
- locate the technology so that employees have access when and where they need it
- give employees control over the comfort of their office environment (such as lighting, temperature, and furniture) whenever possible
- minimize noise and visual distractions for those employees for whom these interfere with their effectiveness.

These strategies have proved effective in a wide variety of organizations (American Society of Interior Designers, 1998). However, no one can tell you what will work best in your organization. You have to be willing to experiment: Try a strategy, evaluate its impact on learning, make changes if it does not have the impact you want, and try again. Take the time. There are no quick fixes.

Actions for Developing a Learning Culture

Whether you are focusing on communication, leadership, performance incentives, or physical environment to create a culture of learning, the key is ongoing self-evaluation. That is, continuously putting your nonprofit in front of a mirror and asking, "Are we where we want to be as an organization, and if not, what do we have to do to get there?" External evaluation consultants can assist you with answering this from time to time, but this process of feedback and

reflection does not necessarily depend on external help. Much can be done with the staff and resources within your organization.

Here are some activities that can create and maintain a culture that is conducive to learning:

1. Make highly visible, dramatic changes that are symbolic, as well as substantive, of a learning culture in the organization.
2. Ensure that values demonstrated in everyday actions are consistent with espoused values of learning. Talk about this alignment of values with your employees.
3. Assess and compare the perceived current culture with the desired learning culture.
4. Develop a shared plan with board members and staff for what the organization must do to move from the current culture to the desired learning culture.
5. Allow employees to dedicate time to formal and informal learning that will enhance their capacity to do their work effectively.
6. Develop learning events that are explicitly linked to the strategic goals of the organization.
7. Create ceremonies that give recognition to individual and team learning.
8. Make the artifacts of learning visible to employees, such as a library, spaces for formal and informal conversations among employees, benefits that support education, and computer access to just-in-time information.
9. Praise individuals and groups that use learning as one of their indicators of success.

Here are two tools you can use to promote organizational learning. First, effective learning in your organization begins with internalizing a set of principles related to systemic change. Check your nonprofit's readiness for system-wide, organizational learning by using the Organizational Learning Readiness Worksheet (see Tool 3.1). Bring together employees and volunteers (either everyone in a small nonprofit or a cross-functional group within a large nonprofit). Ask individuals to fill out the form for themselves. Then ask the group, "Do we aspire to this principle?" "What do we do as an organization

Tool 3.1 Organizational Learning Readiness Worksheet			
<p>To what extent is each of these principles characteristic of your organization? Check the number that best represents what you observe in your organization.</p> <p>1 = Not at all; never see it 2 = Partly characteristic; occasionally see evidence 3 = Strongly characteristic; evidence all around us</p>			
<i>Principle</i>	<i>1</i>	<i>2</i>	<i>3</i>
1. We integrate and align our organization’s mission, people, processes, resources, structures, and culture.			
2. Each of our organization’s activities is an element of a process that is continuously improved through knowledge enhancement.			
3. We don’t rely on quick fixes to our performance deficits.			
4. Learning is continuous over the long term in order to achieve meaningful results.			
5. Learning is leveraged so that relatively small interventions result in long-term major changes for the organization.			
6. Each of our employees and volunteers is responsible for the system in which he or she works.			
7. The collective learning of all employees and volunteers is an essential aspect of capacity building.			

that is consistent with this principle?” “What can we do to make this principle part of our culture?” Discuss their answers. Return to these questions periodically with the same group to assess progress.

The implication of holding these beliefs is that learning alliances must be formed with supervisors; among the various departments, programs, and units in your organization; and with your clients and partner organizations. Over time, effective learning alliances will result in accumulated knowledge. The accumulated knowledge of an organization is one of its most valuable assets. This knowledge is as important to a nonprofit as its property; donations; funding sources; products and services; and the loyalty of employees, volunteers, and clients.

Another tool you can use to assess the status of your learning culture is the Organizational Learning Self-Audit (Tool 3.2). How do

you know if your nonprofit is doing what it can to learn and improve? This tool can be used to do a quick status check.

Ask a cross-section of employees and volunteers in your organization to fill out this self-audit with you. Answer these questions for your organization as a whole. Post the group's responses on a chart for everyone in the group to see, and then discuss your responses and their implications. Look for similarities and differences in the way people responded. What made group members respond the way they did to each statement? Report a summary of the group's responses to the entire organization, and invite comments from staff and volunteers. Use this information in planning initiatives to improve organizational learning.

Summary

This chapter has defined what is meant by “a culture of learning” and explained how this culture contributes to building an effective organization. A culture of learning is an environment that supports and encourages the collective discovery, sharing, and application of knowledge. Learning is manifested in every aspect of organizational life. Staff and volunteers are continuously learning as individuals, in teams (and other small work groups), as a whole organization, and in relation to their communities. A learning culture can be developed through communication and leadership. The next chapter goes into depth about the first level of a learning culture: individual learning.

Tool 3.2 Organizational Learning Self-Audit					
Indicate to what extent you agree with each of the statements listed below. Check the response option on the right that is closest to what you believe about your organization.					
<i>Organizational Learning Statement</i>	<i>Strongly Agree</i>	<i>Agree</i>	<i>Neither Agree Nor Disagree</i>	<i>Disagree</i>	<i>Strongly Disagree</i>
1. This organization is constantly learning how to improve its own performance.					
2. Gathering feedback and reflecting on that information is commonly done in this organization.					
3. Managers who support individual and team learning are rewarded for doing so.					
4. We are constantly trying to learn how to have more effective meetings, events, and projects.					
5. Experimentation and risk taking for the purpose of learning are supported and not punished.					
6. Physical spaces of offices and service areas are designed for optimum learning among individuals and teams.					
7. Individuals understand what they need to learn in order to help the organization be successful.					
8. Individuals are encouraged to enhance their ability to help the organization be successful.					
9. Managers, coaches, and mentors help individuals develop and implement learning plans.					

<i>Organizational Learning Statement</i>	<i>Strongly Agree</i>	<i>Agree</i>	<i>Neither Agree Nor Disagree</i>	<i>Disagree</i>	<i>Strongly Disagree</i>
10. Training programs are designed to help individuals achieve their learning goals.					
11. Individuals receive frequent formal and informal feedback on their job performance.					
12. Individuals discuss with their supervisors what they need to learn to improve their performance.					
13. Team members help each other learn from their successes and failures.					
14. Information is constantly shared among team members.					
15. Training programs are designed to help teams achieve their learning goals.					
16. Teams are constantly developing new, more effective ways of working as a group.					
17. The organization gathers feedback from its customers and stakeholders for the purpose of learning.					
18. Each department/unit informs other departments about what is being learned.					
19. The organization as a whole works at developing more effective ways to solve problems and make decisions.					
20. The organization is open to learning from the wider community that it serves.					

