

# New Management Approaches in Business: Learning Organization Concept

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## Abstract

In the rapidly changing world, knowledge becomes the most important source for the organizations to survive. Therefore, organizations need to learn faster and faster to adapt to the changing environment and to take competitive advantage. As a result of industrial revolution, organizations have to face many terms due to the accelerating change in the world. This case forced either organizations or employees improve and learn continuously themselves. Learning organization is a sort of organizations which renovates itself by learning. These organizations change by learning and learn to change themselves. Learning can be at the level of individual, group or institution. The concept of Learning Organizations has become more popular recently, due to the rapidly changing environments of today. Today, learning organizations philosophy is important for the following reasons: reaching high performance, quality improvement, meeting customer expectations, gaining advantage in competition, providing energized workforce, becoming conscious about the affection of individuals each other, managing change and time's requirement. Organizations need to catch the pace of the change, and even take the advantage of this change, in order to survive in this very turbulent environment. It is even more vital to use this advantage as a tool for competition, and success.

**Keywords:** Learning organization, organizational learning, total quality management, organization, management, knowledge management

## 1. Introduction

In the rapidly changing world, knowledge becomes the most important source for the organizations to survive. Therefore, organizations need to learn faster and faster to adapt to the changing environment and to take competitive advantage. Taken with the speed of technological developments grown difficulty and competitive conditions in the rapidly developing standing makes it difficult for organizations to stay in every day. Adapt to the changing environment of an organization to achieve a one of the most important conditions to be permanent that it can provide continuous learning and learning organizations are able to establish.

Especially for the last two or three decades a great change is being experienced with the globalization process on every aspect of life. These economic, politic, cultural, and social changes have influenced and continue to influence how the whole world turns as well as management. In consequence of the global flow of the goods, services, information, capital, ideas and cultures across borders rapid and continuous, organizations both have been influenced from and direct this change and also have adapted new management strategies.

New methods and concepts for management have been developed by management gurus for firms in order to survive in this wild and creative competition. Total quality management, strategic management, learning organizations, innovation, and many other concepts are being discussed in the management science for this reason.

As a result of industrial revolution, organizations have to face many terms due to the accelerating change in the world. This case forced either organizations or employees improve and learn continuously themselves. During this rapid process organizations and corporations are developing and applying numerous methods to compete and stay alive and to be stronger in their sector. One of these methods is to encourage continuous learning and establish systems which provide this. The companies that give importance to continuous learning are called as "Learning Organizations" in the literature.

Scientific developments have significant impacts on the internal dynamics of the 3rd thousand organizations. Parallel to the developments in communication technologies and organizational behavior, team learning is in the front lines of the tools that contributes today's business life. Team learning, as the corner stone of team approach, is an element that adapts the organizations to the new era. There is a wide application area of team learning because of its infrastructure that let us apply in any kind of organizations. A great obstacle will be overcome in the way of becoming learning organizations if we can apply the team learning. Knowledge transfer and empowerment are the contemporary tool that facilitates the organizations to operate more systematic and harmonious.

Learning organization is a new philosophy that emphasizes the importance of learning for organizations and building learning efficient organizational processes and constructs. There are many definitions of learning organizations given in the literature. But Garvin (1993) point outs that there are three critical issues are left unresolved: Meaning, Management and Measurement. Thus, there has been still a little agreement on the

meaning of learning organization.

Learning organization is a sort of organizations which renovates itself by learning. These organizations change by learning and learn to change themselves. Learning can be at the level of individual, group or institution. Group learning, stirring some dynamics such as collective intelligence by means of solidarity, dialogue and discussion among the group members, provides organizational learning to settle. So getting learning identify, these organizations reach their aims easily and find the possibility to do what they want quickly.

Knowledge is one of the most important assets of an organization that directly affects business success, and its importance increases for organizations that use knowledge-intensive processes such as the software development industry. In an industry in which technological developments are rapid, in order to keep up with the continuously increasing competition and to obtain competitive advantage the software organizations need to obtain the correct knowledge, use it efficiently and pass it to future projects evolving it accordingly.

## 2. Learning Organizations

In 1990s learning organization became a way out for organizations to survive. Learning organization consists of individual and organizational learning. Strategy laboratories are important tools for learning organizations. Strategy laboratories compress time and space and give opportunity to managers to test their long-term decisions and possible solutions at riskless environment. Since, social factors can be added to the model of profit or nonprofit organizations, realistic results can be obtained.

In order for companies to survive in the fast changing, uncertain and unsystematic competitive conditions, the companies must use their sources in an effective way. Actually, to survive is a short-term solution. The long-term survival can only be achieved by cost minimization. To minimize costs, those factors that produce the maximum output in a given unit of time must be utilized.

Management is a science functioning with people's collective working needs. In the eras named as management period which was not scientific, various example applications were also realized. However, the studies beginning with industrial revolution gained a scientific identity with the efforts of Taylor, Fayol, Weber, etc., and also provided efficiency increases in an important proportion. These studies expressed as classical management insight, got criticized while experienced developments went on. However, while the technology highly changes, classical point of view cannot answer scientific, social and economic changes, and depending on this, the stakeholders, including employees, owners, customers, and the expectancies for the change of public any more. For that reason, various approaches have aroused as contemporary management trends (Neefe, 2001).

Learning organizations approach is also one of these trends. Learning organizations philosophy adds learning concept to the focus of the movement. Learning is seen as the key of the change either individual or collective meaning. For that reason, learning can be examined as individual and collective in two parts (Kezar, 2005).

For the point of view of concept of organization, it is possible that these levels are divided as individual, team and organizational learning. Each three levels are continuously in interaction. Individual learning has been on agenda especially with the studies about psychology for long years. The studies generally see learning as a process made from four stages including observation and perception, interpretation, application, and reflection.

In a similar way behavioral learning approach, including classical conditioning and behavioral conditioning as learning approaches, then, cognitional learning approach and then social learning approach were brought up. Using the teams in order organizations to reach their goals and solve the problems appears learning by teams as a level. Although individuals are used as a mediator in organizational learning, individuals' learning is not enough alone. Organizational learning is having a general memory and culture while it is independent from individuals. Establishing the structures providing this independency should be needed in order to realize learning in real meaning. A classification according to their types is made from various learning definitions in literature. Adaptive and generative learning, single loop and double loop learning, learning how to learn, conceptual and operational learning, strategically and tactical learning, harmonious and creative learning, continuous and modernative, and low and high level learning in emphasized classification are from the types confronted in the literature research. However, mostly accepted approaches are single and double loop learning.

The main difference between single loop learning and double loop learning is that mental models are taken into consideration in double loop learning. Mental model concept is one of the five learning disciplines of Senge. The other disciplines are systems thinking, shared vision, team learning and personal mastery. Mental models mean individual oneself, other people and corporations, and everything that can be thought about picture, acceptance and stories on mind. These models shape the behaviors of individuals, and are the idea of bringing different approaches made by individuals having different mental models making collective working vital.

Personal mastery may be described as a talent of realizing important outcomes for himself. However, it is a discipline that also contributes organizational development beside individual development. Shared vision

discipline requires to spread creative tension caused by vision explanation define as a level aimed to be in the future to the entire organization. So that, many gains like willingness, energy, creativity, participation may be provided necessary for learning. Learning by teams is necessary for more in total and generalized learning while making individual studies collective. Generally, while learning by teams takes into consideration the hypotheses of team members, it is used for the meaning of collective thinking and planning the future while seeing the results. To do that, it is necessary thinking in depth, creative action, dialog and discussion efficacies about complex subjects, and solidarity and collectively planning skills to be developed. Systems thinking, fifth discipline is a discipline towards timely focusing more than momentarily looking, and examining complex relations and their structures more than events and an effort of seeing the whole. Its instruments are causal loop diagrams, system archetypes, computerized modelling and system dynamics concepts.

Senge's these five learning disciplines have shown the main difference of learning organization philosophy from the other new management trends. A learning organization is an organization which continuously renews itself, manages data better, benefits from technology and the talents of people entirely and spreads learning in order to better adapt the environment and get success in this environment.

Marquardt divides a learning organization into five subsystems. These subsystems are learning, organization, people, information and technology. Learning is the most main subsystem and every subsystem is divided into parts in itself. The strategies towards these subsystems are talked about. Although learning organization approach was seen as Utopia in the past, since 1990's it has been free from this prejudice.

Today, learning organizations philosophy is important for the following reasons: reaching high performance, quality improvement, meeting customer expectations, gaining advantage in competition, providing energized workforce, becoming conscious about the affection of individuals each other, managing change and time's requirement. This philosophy includes the concepts become a matter of primary importance by the other new management trends like quality, vision, mission, values, corporate culture, strategies, targets, process, internal and external customer gladness or in a more general meaning satisfaction of stakeholders, horizontal structuring, effective communication.

However, learning organizations philosophy points out the necessity of changing the mentality made from traditional view completely. Learning wave theory expresses that the most applied quality focused approach from this modernative trends prepares necessary consciousness and infrastructure in order to achieve learning organizations. Similarities between learning organizations theory and total quality management confirm this theory. Each two philosophies are different from classical mentality about aim, structure, environment and environment insights, distribution of authorization, division of labor, performance evaluation and humanity, however, in comparison to each other they are not completely same, but in general it is possible to say that they have parallel point of views.

On this occasion, the thinkers of learning organization give place to the application examples testing hypotheses, and continue infrastructure studies on one hand; on the other hand they make efforts for the development of consciousness made by quality trend. As a result it can be said that whether all of the organization structures made from individuals are satisfactory or not, each one is essentially learning beings. However, mentality changes must be done in order to keep up with changing conditions and to survive their entities threatened by that condition and that is possible with the learning organization philosophy (Schwandt & Marquardt, 2000).

"Knowledge Economy" and / or "Knowledge Management" are hence accepted by many economists and management scientists who believe that information and data must be acquired, used and developed as a resource. These are many examples of companies which reach leadership status in the market by successful application of knowledge management.

The process from acquiring knowledge till the development is called "Organizational Learning". Learning, sharing what they have learnt and using that learning whenever the need arose construes "Organizational Learning". Finally the companies started to learn, store what they have learnt and use it at the respective departments whenever needed.

Learning organizations are adaptive for knowledge speed and they are renewable in the growing world. Main bottom dimensions for the learning organization are personnel mastery, mental models, shared vision, system thinking and team learning.

The learning organization is defined by Senge (1990) as places where people continually expand their capacity to create results they truly desire; where new and expansive patterns of thinking are nurtured; where collective aspirations are set free and; where people are continually learning to learn together. Another definition is that the learning organization is a particular organizational environment facilitating individual learning, which in turn is harnessed by the organization, and encourages the continuous development of new behaviors and practices (Overmeer, 1997).

The term of "Organizational Learning" that might be confused with "Learning Organization" is defined as to be about increasing an organization's problem-solving capacity and about changing behavior in

ways leading to improved performance at the individual, team and organizational levels (Buckler, 1998). It is not enough to hold individuals accountable for learning continuously without also building the organization's capacity to support, encourage, and make use of that learning (Watkins & Marsick, 2003).

Activities which learning organizations are skilled at solving problems systematically, experimenting with new approaches, learning from their own experiences and past history as well as from the experiences of others, and transferring knowledge quickly and efficiently throughout the organization (Wheelen & Hunger, 2004).

Senge (1990, p. 8) defines mental models as "deeply ingrained assumptions, generalizations, or even images that influence how people understand the world and how people take action". Mental models entail people in learning organizations understanding their own assumptions about their work and appreciating their colleagues' assumptions (Ananthanarayanan & Gibb, 2002).

The vision must be created through interaction with the individuals in the organization. The leader's role in creating a shared vision is to share her own vision with the employees (Hassouneh, 2001).

Other than simply recognizing the applicability of the principles of the learning organization to higher education institutions, and a general recognition that that can help to improve their performance, there has been little attempt in the literature to find out the relative levels of organizational learning within those organizations (Neeffe, 2001).

A brief review of the literature shows that there are only a handful of studies which have empirically examined this issue and that most of the literature in higher education is advocacy for learning, anecdotally based, and prescriptive (Kezar, 2005). Studying organizational learning in higher education is crucial in order to understand the concept of higher education institutions as learning organizations, and to identify the gaps in their way of becoming learning organizations. This might especially provide invaluable information to those who want to develop reform agenda for higher education institutions. Therefore, there is a need to fill the gap for research related to learning within higher education.

Watkins and Marsick added two more dimensions to see the key results in the organization: state of financial health and resources for growth (financial performance) and enhancement of products and services because of learning and knowledge capacity (knowledge performance) (Watkins & Marsick, 1997). Yang found that there are significant relations between the proposed seven dimensions of the learning organization and the two organizational outcome variables: financial and knowledge performance (2003, p.157).

## 2.1. Definition of Learning Organizations

Because of rapidly changing nature of the world and necessity of transformation for organizational survival and growth, learning and learning organization are becoming important concepts for organizations. Since learning organization is a new concept, it has not been clearly defined, yet.

Learning Organization, Organizational Learning and Knowledge Management are increasingly becoming popular among organizations which are interested in increasing competitive advantage, innovativeness and effectiveness. Culture of an organization is both the consequence of the organization's prior experience and learning and the basis for its continuing capacity to learn. Learning situations involve putting yourself at risk, so the foundation of a knowledge centric organization lies in the relatedness of each community member to each other, to company and to CEO. Knowledge is a combination of information, contexts and experiences. A knowledge centric approach in an organization should be characterized by a conscious effort to transfer knowledge rather than transferring information. To transfer knowledge, the receiver's context and experience must be taken into account. IT can help the organizations in responding to the challenges of an increasingly complex and uncertain environment. IT can help the organizations achieve a flexible organization structure.

The learning organization is defined by Senge (1990) as places where people continually expand their capacity to create results they truly desire; where new and expansive patterns of thinking are nurtured; where collective aspirations are set free and; where people are continually learning to learn together. Senge (1990) visualizes the "learning organization" to continually expand its capacity to create its future.

Garvin (1993) describes a learning organization is the organization skilled at creating, acquiring and, transferring knowledge; Brahm (1996) defines the learning organization as an organization which gives learning priority.

Another definition is that the learning organization is a particular organizational environment facilitating individual learning, which in turn is harnessed by the organization, and encourages the continuous development of new behaviors and practices (Overmeer, 1997).

There are references to both organizational learning and learning organizations in the literature and they are sometimes used interchangeably. However, it is important to differentiate the two terms. Becoming a learning organization could be the goal of an organization. The process through which an organization could achieve this goal is the process of organizational learning (Schwandt & Marquardt, 2000).

Learning as an organizational activity is perceived as "an integration of individual efforts and group

interactions.” Thus, organizational learning becomes a process embedded in relationships among individuals; some authors argue that organizational culture is “the outcome of shared learning experiences.” Some authors use descriptive accounts of “learning ” to identify paths to the improvement of organizational performance under the presumption that firms which are better at “organizational learning” will perform better than others in the market. (Carayannis, Alexander, 2002).

## 2.2. Learning Organization Characteristics and Their Measurement

In a recent years, fast-changing environment conditions difficult for organizations to survive. In these circumstances the survival of organizations are possible which they adapt to competition and better understand the environmental conditions. Knowledge and learning organizations in these conditions has been the most important weapon. Organizations that only providing individual learning .is not enough, they should be provide organizational learning, with participation of all individuals. Differences can be made in the current competitive environment only by this way. The basic of learning organization philosophy forms continuous learning and development (Carayannis, Alexander, 2002).

It is essential to understand the practices and principles that make up a learning organization. Many authors have tried to identify the characteristics necessary for organizations to achieve being a learning organizations and it is also essential to enable these characteristics in practice (Griego et.al. 2000).

The authors, Watkins and Marsick (1993) argue that a learning organization should have the following characteristics:

- Leaders who model calculated risk taking and experimentation
- Decentralized decision-making and employee empowerment
- Skill inventories for sharing learning and using it
- Rewards and structures for employee initiatives
- Consideration of long-term consequences and impact on the work of others
- Frequent use of cross-functional work teams
- Opportunities to learn from experience on a daily basis
- A culture of feedback and disclosure.

Kline and Saunders also express a set of characteristics of a learning organization. They believe the importance of having learner individuals across the organization, who can be lead function in such a way that the organization as a whole can learn from them. In this regard, Kline and Saunders propose a ten step process to become a learning organization (1998).

Goh's objective is to identify a bundle of managerial practice and organizational process that differentiate learning companies. Goh (1998) has identified and tested in a survey questionnaire of practices, processes, and designs that distinguish companies that learn with the building blocks of mission and vision, leadership, experimentation, transfer of knowledge, teamwork and cooperation.

Griego and Geroy's study is an empirical study which looked at predictive practices that would enable organizations to achieve learning organization success". Learning organization characteristics are identified by Griego and Geroy (2000) as five subsystems which were learning dynamics, organization transformation, people empowerment, knowledge management, and technology application. They applied two diagnostic tools to present key practices as predictors of a learning organization specifically, Marquardt's (1994) learning organization profile and O'Brien's (1994) learning organization practices profile.

Finally, in Moilanen's (2001) study, a diamond is chosen to visualize the basic ideas of a learning organization. Five elements are considered at individual and organizational levels: managing and leading as driving forces, finding purpose, questioning, empowering, and evaluating learning and learning organization. He developed an instrument and updated it in 2005 by administering in practice, and analyzing the learning organization portrayals of different groups.

Organizations encounter problems of adapting the intensive changes which affect the world of business and management, such as technological developments, competitive conditions and increased uncertainties, organizations make various studies to comply with this change. Total Productive Maintenance and Learning Organizations concepts increasingly gained importance and in recent years competitions have become determining factor for many industries. Total Productive Maintenance is an effective method to determine and reduce loses. But the development, encouragement of creativity and participation of all employees must be provided. The organizations which develop, change and update themselves by learning, reach their targets easier and realize their willing quicker. The purpose of this study is to determine the role of the organizational learning perceptions of the employees to have successful business results in an organization which implements Total Productive Maintenance.

### 2.3. Structure and Dimensions of Learning Organizations

Activities which learning organizations are skilled at solving problems systematically, experimenting with new approaches, learning from their own experiences and past history as well as from the experiences of others, and transferring knowledge quickly and efficiently throughout the organization (Wheelen & Hunger, 2004).

It is not easy for an organization to simply apply learning practices and turn into a learning organization. There are mainly two reasons for this. Firstly, there are a number of barriers that inhibit the formation and operation of a learning organization, and secondly, very few of these barriers are understood (Sunassee & Haumant, 2004).

Knowledge age is an age that increasing the knowledge importance, using knowledge is important for competition and never lasting change and development is obligatory. Knowledge become a new management style and an engine of technologic improvement. Always changing and developing knowledge and telecommunication technology bring a new approach in organization mentality. The most important fact that achieving a learning organization which is the most effective organization style in knowledge age, is human. So we must identify every side of human. "Every man is a different world and every man has a different world" this sentence explains the complexity to get to know of human behavior. If human is the subject we have to deal with the motivation which is the natural side of human. Since learning organization is non-retractable structure in our age, since human is non-retractable member of learning organization, so we need a key to use human usefully in learning organization. This golden key is motivation. Motivation is non-retractable concept to gather men around an aim and run them toward targets (Sunassee & Haumant, 2004).

Systems approach was developed by Senge to explain learning organizations. The concept of the learning organization popularized by Senge (1990) has received heightened attention recently because it is thought to embrace many of the vital qualities for today's organizations, i.e. teamwork, empowerment, participation, flexibility and responsiveness. His five disciplines constituting a learning organization are:

- Personal mastery (individual competence),
- Mental models,
- Shared vision (cohesive vision);
- Team learning and
- Systems thinking

Senge (1990, p. 7) explains personal mastery as "continually clarifying and deepening our personal vision, focusing our energies, developing patience, and seeing reality objectively". Personal mastery (individual competence) is an element of learning organizations. Improvements in consumers' experience or other working practices can only be achieved if the workforce is well educated and that education is constantly refreshed. This requires the organization to support each individual to make the best of their aptitudes and abilities, and build on them continuously. However, a set of competent individuals does not make a corporation a "learning organization" (Giunipero, 1997).

The most important structural difference that makes a corporation "learning organization" is the fact that it was structured to function by "implicit" relations among staff rather than explicit plans. Implicit relations are ideas, insights, values, opinions, personal beliefs, and judgments among staff; it is very dynamic and can only be accessed through direct collaboration and communication with people.

Bureaucratic organizations, an important type of control-command oriented organizational design with its hierarchical, rigid, formal and mechanical process, inhibit managers to use initiative as well as facing difficulties in rapidly changing environments. The world has been going through a rapid change and globalization process especially since 1970's. Influenced by changes in technology and communication along with other developments, uncertain organizational environments have created new values, concepts, and approaches. One of the new approaches is public sector strategic planning in context of new public management. The command and control oriented bureaucratic organizational structure with its anti-learning organizational culture and associated shared mental models inhibit effective and problem focused decisions in preparing and implementing strategic plans.

Explicit plans are the plans that are spelled out and therefore easily accessible, such as that which can typically be found in manuals, reports, and databases. Implicit relations help the corporation have a shared vision in a short time, learn together, produce individual competences from shared learning and other synergic effects, change its environment and collect feedback from this environment, and change itself to new developments (Taşçı, 2006).

### 3. Conceptual Model for a Learning Organization

Culture is defined as a set of values and guiding beliefs that are shared by all employees within an organization. It serves as a foundation for an organization's management system by reinforcing practices and organizational behaviors (Pool, 2000). Organizational culture is said to be formed from the collection of many sources such as the employee's background education, experiences gained from past events or personalities of the employees over time.

According to Senge (1990) information about the mission of an organization is critical to empowering employees and developing innovative organizations. Without this information, people will not extend themselves to take responsibilities or to introduce their creative energies.

In a learning organization, people learn from failures and successes, and use them as opportunities to improve systems, processes and structures. Learning organizations not only encourage learning from past experiences, but also have mechanisms or systems that will allow for this to happen. Garvin states that companies must review their successes and failures, assess them systematically, and record the lessons in a form that employees find open and accessible". It is needed to view failures as opportunities for learning, by structuring the 'mistake' in a positive way for employees to learn (Garvin, 1993).

According to Senge (1990) learning organizations need a new leadership style where leaders are described as designers, stewards and teachers. A leader as a designer has the role of designing an organization's strategy to integrate its vision and values, and to develop a shared vision in order to communicate a specific goal. Goh (1998) mentions about the requirement of a shared leadership in a non-hierarchical organization, in order to encourage employees to be innovative and responsible.

In his shared leadership concept, managers become coaches, not controllers; level or rank is not as important as the ability of the individual to contribute to the organization's performance. Leaders need to be able to facilitate change, provide feedback, involve employees in decision making, and accept criticism without being overly defensive (Goh, 1998).

Waldersee (1997) suggests that effective leaders should find ways to set goals and also help the employees to set their own goals. In addition, they should give feedback on their performance. As members become more empowered, they begin to understand and manage themselves and their outside boundaries better, moreover they are able to handle with uncertainties easily.

The innovation that industrialization brought to do the way of business has led to new management approaches in 20th century. The quality journey that Dr. Shewhart leaded off came today with the other quality passengers' contributions and still continues. As well as the role for a better understanding and improvement of business processes, total quality management(TQM) advice person about life quality with its approach of supporting continuous improvement and learning, so Total Quality Management known as TQM philosophy today. Leadership, Customer Focus, Employee Engagement, Continuous Improvement and Development, and with Data Management by Objectives, Management by Process Approach, Prevention Oriented Approach, Create Learning Organizations are the principles that form the basis of TQM. With the implementation of these principles desired that things always go well, employers, employees and of course, the customers to be happy all the time. A team from the input to create the desired output value and the ability to repeat it whenever required can be defined as the effective process management. If you think about the impact of TQM principles on process management, you will see that TQM principles are sine qua non.

#### **4. Conclusion**

Knowledge is one of the most important assets of an organization that directly affects business success, and its importance increases for organizations that use knowledge-intensive processes such as the software development industry. In an industry in which technological developments are rapid, in order to keep up with the continuously increasing competition and to obtain competitive advantage the software organizations need to obtain the correct knowledge, use it efficiently and pass it to future projects evolving it accordingly.

The core competency of the most effective organizations is their capacity to learn in an increasingly complex and unpredictable business environment. Assessors play an additional critical role in the Quality Award Process by contributing in their own personal development and in transformation of their organization into a learning organization.

The concept of Learning Organizations has become more popular recently, due to the rapidly changing environments of today. Organizations need to catch the pace of the change, and even take the advantage of this change, in order to survive in this very turbulent environment. It is even more vital to use this advantage as a tool for competition, and success.

Firm performance is the best indicator of firms' survival in today's borderless and ever-increasing competitive markets. The markets have also become much more volatile, so it's very difficult for the firms to be able to stay in the market without focusing on innovation and organizational learning. In this context, it is extremely important to define firm performance as a subset of organizational factors and to identify factors that may influence firm performance.

Learning organization is a sort of organizations which renovates itself by learning. These organizations change by learning and learn to change themselves. Learning can be at the level of individual, group or institution. Group learning, stirring some dynamics such as collective intelligence by means of solidarity, dialogue and discussion among the group members, provides organizational learning to settle. So getting learning identify, these organizations reach their aims easily and find the possibility to do what they want

quickly.

As a result of industrial revolution, organizations have to face many terms due to the accelerating change in the world. This case forced either organizations or employees improve and learn continuously themselves. During this rapid process organizations and corporations are developing and applying numerous methods to compete and stay alive and to be stronger in their sector.

Learning organizations reflect the features and characteristics of the organizations in the age of information. The mentality of age information focused on information, learning and worth of human has seen in the application and philosophy of learning organization.

The increasing importance that is given to the element of human, made people find the solutions for recognizing human power, understanding them and directing them to the organizations' goals. Searches on the subjects of human and motivation were based on the past times. Therefore, the importance of motivation in the age of information has been increased for the organizations. Moreover, there have been many changes in motivation factors and it has been focused mostly on the importance of socio- psychological factors.

Rapid change of environment in the organization as a result of the growing importance of firms in order to manage change processes are discussed within the framework of strategic management. Competitiveness between the companies, such as learning, identification of firm's competence and its creation and development of the competition has become an important character.

Many researchers and practitioners have recognized that organizational learning is an important concept for contemporary organizations to attain competitive advantage and adaptation in a rapidly changing business environment. There is a tremendous interest to understand the nature of organizational learning. Moreover, there is widespread acceptance that learning could occur at the individual, team and organizational levels. The general idea regarding that organizational learning would have positive effects on performance, increases the debates about whether organizational learning occurs through individuals or teams are the unit of learning in organizations. Understanding organizational learning dynamics would be important to develop strategies for empowering organizations' learning capabilities.

Some companies also have the same resources to obtain better performance than the others can. Long time since this issue is discussed in the literature of strategic management. To achieve sustainable competitive advantage, companies must have core competencies and skills that are needed to develop an ongoing basis. Sustainable competitive advantage is based on at least one core competence of the organization.

Core competencies allow the organization to adapt the changing environment and market conditions. Thus, organizations must learn continuously and empower its competences with what they learn and should continue to maintain the firm's competitive advantage. The effectiveness of the learning depends on the acquisition, processing, storing and retrieving of the knowledge. Core competence reflects the special expertise of the organization which derive from collective learning process. Firms can respond to various markets and changing environment conditions and utilize resources to obtain a sustainable competitive advantage with its core competence.

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