Developing and Sustaining a Multilevel Competitive Learning Organization – A Behavioral and Cognitive Approach

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ABSTRACT

To maintain a sustained competitive position in the contemporary environment of knowledge economy, organizations as an open social systems must have an ability to learn and know how to adapt to rapid changes in a proper fashion so that organizational objectives will be achieved efficiently and effectively. A multilevel approach is adopted proposing that organizational learning suffers from the lack of interest about the strategic competitive performance of the organization. This remains implicit almost in all models of organizational learning and there is little focus on how learning organizations achieve sustainable competitive advantage . A dynamic model that captures the strategic nature of organizational learning is the competitive learning organization . This type of organizations approach sustainable competitive learning by reshaping their strategy, structure, and culture for growth to be attained continuously at the individual and groups(micro), integrative network (meso), organization and **interorganizational** (macro) levels .Learning by itself is not enough to attain a sustainable competitive advantage. Rather, the most important thing is that how best to focus the learning on the most prominent forces resulted from changes and fluctuations in the competitive environment .

Approach to the Topic

Business environment as a learning context has entered a knowledge economy age, where knowledge has became power and a rapid learning has became a prominent strategy that needs competency and capability in organizations. Knowledge can be considered as the most strategically important resource for the organization and its ability to learn faster than its competitors as the only sustainable form of competitive advantage. Organizational learning cannot be tackled separately from competition and the basic prerequisite of success is alignment between an organization and its environment.

In order to enhance the potential for competitive organizational learning to be occurred, organizations must design and construct its strategy, structure, and culture. These organizations are called competitive learning organizations in that they continuously adapt themselves to the environment focusing their learning on the main competitive forces at a specific period of time. The competitive learning organization places high value on the learning of people at all levels, namely at individual and groups(micro) , integrative network(meso), and organizational and interorganizational(macro) levels.

Keeping this notion in mind, we present a multilevel approach in order to develop a multilevel competitive learning organizations explaining the effects of organizational learning on the individual and group learning (top-down processes) and the influence of individual and group learning on the organizational learning as a whole (bottom-up processes) through
knowledge diffusion .

At the individual level , managers need to do their best to cultivate the learning of new skills, norms, and values so that employees can increase their skills and abilities to help an organization builds its distinctive core competencies. At group level, managers need to encourage learning by facilitating the forming of various groups, such as self –managed teams or cross-functional teams ,so that individuals can share their skills and abilities to solve problems. Whereas , at the organizational level, managers can support learning through the way they shape an organization's strategy ,structure and culture (Jones,2007:341; Wilson,2010:203).

An organization's structure can be constructed to facilitate communication and problem solving ,and this affects team members ' approach to learning . Culture is also likely to enforce a substantial influence on learning at the organizational level. As for interorganizational learning, organizations can improve their effectiveness by imitating each other's distinctive competencies .Shortly speaking, developing a competitive learning organization, according to the multilevel approach, needs to build a network (meso) learning level by integrating macro with micro learning processes concurrently with their mutual effects.

1. Organizational Learning and Learning Organization

Both organizations and individuals need the ability to learn in order to remain vital in an environment of strategic change and uncertainty . Organizational learning means the learning achieved by individuals within organizations as is an individual learning .

Organizations learn when the knowledge that their members have is explicitly known and codified the organization. Learning is an oriented activity aimed to acquiring knowledge and developing skills. Learning can be occurred when organizations perform in changed and better ways. Organizational learning enhances competitiveness, productivity, and innovativeness in uncertain technological environment (Wilson, 2010:202). Thus , a learning organization is a group of people who have renewal continuous capacity to learn; an organization in which learning processes are analyzed, developed, and aligned with competitive objectives . A learning organization generates knowledge and learning faster than its competitors and turns that learning into a strategic competitive advantage (Kapp,1999:2). Mumford determined the main benefits of creating a learning environment as (Teare and Dealtry,1998:47):

     A . long-term success for the organization.
     B. achieving incremental improvement.
     C. increasing creativity, innovation and adaptability.
     D. attracting and retaining people who want to succeed and
       learn them .

Organizational learning has viewed as the aggregation of individual learning in an organization . This perspective views organizational learning as a cognitive processes of individuals in the organization concentrating on the detection of errors , so that individuals can learn to do things correctly . Other researchers argue that an organization is not simply a collection of individuals , but a social entity that can be learned on a collective basis .

Organizations are cognitive and cultural entities. Learning is an integral part of well organizational functioning ; organizations need to learn in order to response to rapidly changing environment. This model of the learning organization has a problem-solving orientation using specific diagnostic tools to identify , promote, and evaluate the quality of the learning processes within an organization. Organizational learning also implies rationality which relates with the ability to remember past courses of actions , analyze alternatives , and evaluate the results of actions (Wilson,2010:202,210).

Organizational learning is a basic nerve of an organization's ability to confront the environment fluctuations locally and globally . The complexity of competition ,especially the global one , raises the need to compete aggressively and research has shown that organizational learning leads to higher levels of performance and customer satisfaction . When knowledge relates with learning , it can provide organizations with the innovative ideas and skills to outperform competitors and satisfy customer needs and wants faster with high degree of quality thereby increasing value of an organization as a profitable investment opportunity in the eyes of stockholders and investors in general (Hartel, et al ,2007:98).

Another way organizations can successfully manage is to make perpetual growth part of their culture to become a learning organizations that have the continuous ability to adapt and change . Organizations learn , Just as individuals do so . learning is a fundamental requirement for sustained existence of organizations (Robbins and Judge,2009:669) :

"Most organizations engage in what has been called single-loop learning . When errors are detected , the correction process relies on past routines and present policies. In contrast, learning organizations use double-loop learning .When an error is detected , it's corrected in ways that involve the modification of the organization's objectives,policies,and standard routines ".

Peter Senge (1990) determines five disciplines, necessary for an organization to be regarded as a learning organization; personal mastery, mental models, shared vision, team learning, and systems thinking(Kapp,1999:2; Serrat,2009:7) :

A. Personal mastery reflects the ability of an individuals to know what they want and to work toward a specific goal .

B. Mental models, the second discipline, are an organization's and individual's internal picture of the context in terms of a certain paradigm C. Shared vision is developing a sense of commitment in an organization through shared images of the future.

D. Team learning is directed toward developing collective thinking skills. These skills enable members of a group to develop intelligence and abilities greater than the sum of the individual members' talents.

E. Systems thinking is a manner of thinking and understanding the forces and interrelationships that shape the behavior of systems.

Finally , the best alignment between the two closely related terms; organizational learning and learning organization might be in terms of the fact that the learning organization designs and constructs its strategy , structure , and culture, so as to enhance the potential for organizational learning to take place(Jones,2007:341).

2. A proposed Conceptual Framework

Reviewing related literature , has led us to formulate the proposed framework with its interrelated dimensions as shown in figure (1) . This framework proposes that the strategic nature of organizational learning is reflected in the competitive learning organization. All of us know that the main premise to success is aligning an organization with its environment . Thus , organizational learning must be viewed as an integral part of competition.

It is clear from this conceptual framework that learning occurs throughout the organization comprising an integrative social network called Meso Learning through knowledge diffusion. Meso learning is a product of a mutual effects between organizational characteristics (macro-level) and individual and group actions and behaviors (micro-level) .   Moreover, learning to be of a strategic nature , it needs an oriented action towards the most dominated generic forces of a high turbulent rapidly changing environment as a faster strategic response compared with that of competitors .

These generic forces are divided into external (direction , efficiency , proficiency , concentration , and innovation) forces and internal(cooperation and competition) forces . By focusing the multilevel learning processes on both external and internal forces, the competitive learning organization will be developed for achieving and sustaining the strategic competitive learning advantage. Thus, two main propositions have proposed stating that;

Proposition   1 : Tracing the contemporary rapidly changing turbulent environment requires everyone throughout the organization to contribute to the competitive learning process constructing a social network or meso learning .

Proposition 2 : Developing a sustainable competitive learning organization , needs directing learning throughout the organization towards the most dominant generic factors in the competitive environment .

Figure (1) A proposed Conceptual Framework
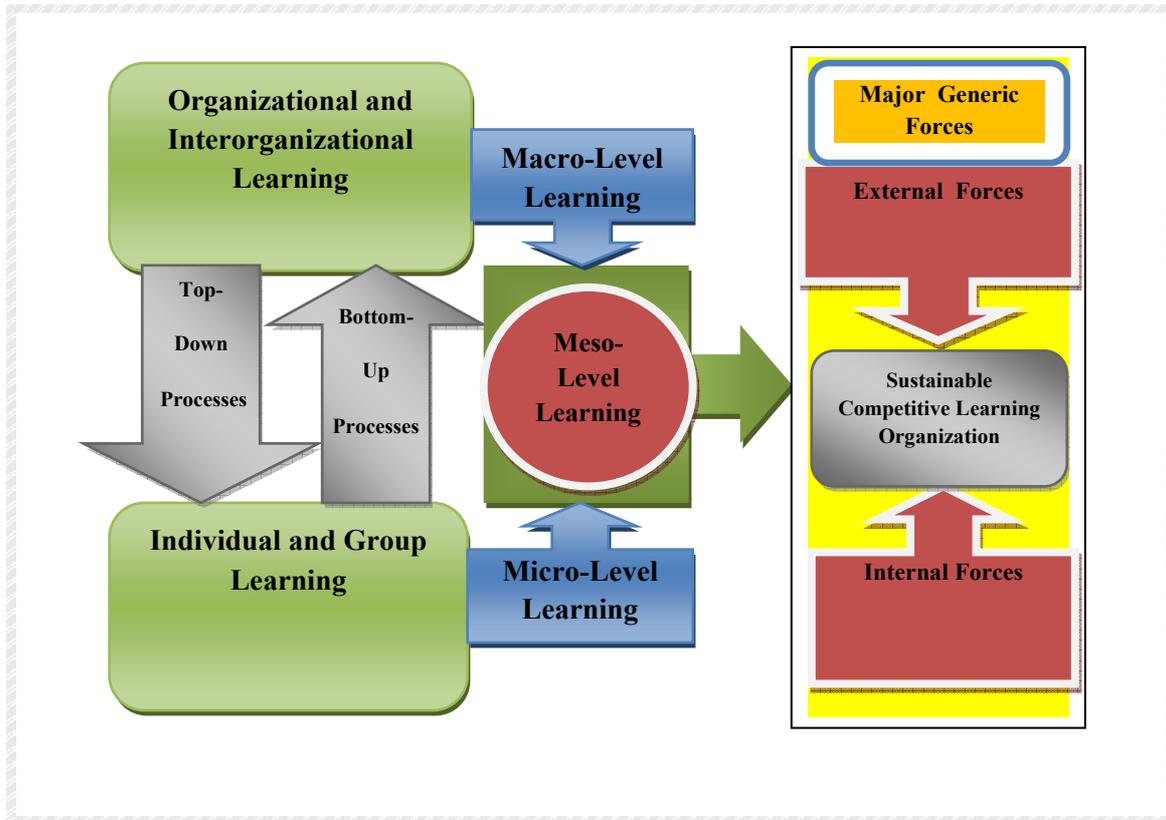
## 3. Managing Learning in the Competitive Environment

Managers need to know how to change their organizations to make them learning ones so that they can be an effective leaders. Beneath are some suggestions(Robbins and Judge, 2009: 670) :

1. **Formulate a strategy:** Managers need to be committed for change , innovation , and continuous improvement.
2. **Redesign organizational structure:** The formal existing structure can be a real obstacle to learning. Redesigning the structure by eliminating or combining departments and the use of cross-functional teams, interdependence is enhanced and boundaries between people are reduced.
3. **Reshape organizational culture:** Managers need actions that taking risks and admitting failures . This means rewarding people who take chances and make mistakes.

Accordingly, managing learning demands some managerial system that allow an organization to recognize its orientations of learning ,then, formulate structure that facilitates learning to be occurred as shown in figure 2(Serrat,2009:3):

Figure (2) Learning Management Systems
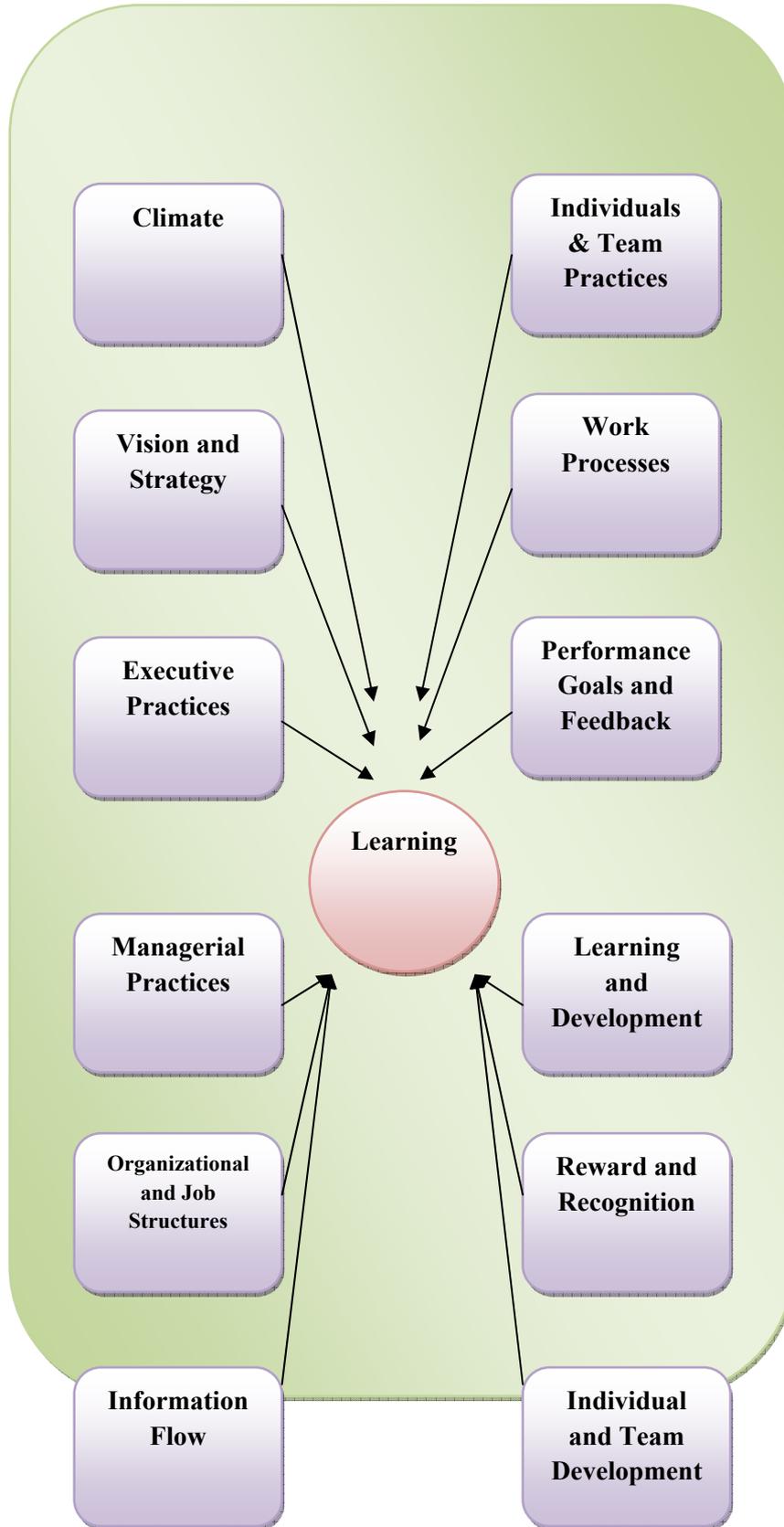
Source: (Serrat,2009:3)

Decision making has to be successful, thus , organizations must improve their ability to learn new behaviors . One of the most important premises that helps managers to make better nonprogrammed decisions, which allow them to adapt to, and change the environment to increase an organization's opportunities of survival is organizational learning that should be executed via the well constructed learning management system (Jones,2007:340; Serrat,2009:3).

3.The Competitive Learning Organization

Organizational learning must be understood as a strategy formulation in organizations. The various types of strategies revealed in the literature can be positioned somewhere among the real-world strategies.

Henry Mintzberg distinguished deliberate intended strategies from emergent strategies as consistencies realized in the absence of intentions, which can reflect strategic learning in its competitive performance implications(Serrat,2009:5) .

Competitive learning organization is a dynamic model that chases the strategic nature of organizational learning . Managers in these organizations are mainly concerned about how such learning organizations would lead to sustainable competitive advantage .

Competitive learning organization adopts an institutionalist perspective where competition and strategic change are closely linked . This means that organizational learning cannot be viewed separately from competition and the main factor to success is alignment between an organization and its environment . This model rejects the notion that the dynamic processes of competition are never explored . The model assumes that strategy formation is adaptive ,incremental and a complex learning process where ends and means are either determined concurrently or are intertwined . A competitive learning organization is defined as(Jashapara,2004:252) :

" a continuously adaptive organization that aligns itself to the environment by focusing its learning on the major competitive forces at a given time " .

    This model encompasses two dimensions ; an organizational dimension and a strategic one . Organizational learning is viewed in terms of a difference between cognitive and behavioral development . Behavioral development expresses responses based on existing interpretations . Then, cognitive development can be considered as organizational changes that affect the interpretation of events and the common understanding among members of an organization .

    The behavioral learning as shown in figure (3) is referred to as single-loop learning in the model and the cognitive level as double-loop learning . Single-loop learning is doing things better whereas double-loop learning is doing things differently or doing different things. Double-loop learning depends upon deeply rooted assumptions and norms within an organization . It provides different solutions to problems and dramatic increases in improvement (Jashapara,2004:252;Robbins and Judge,2009:669).

        Figure(3) Competitive learning organization
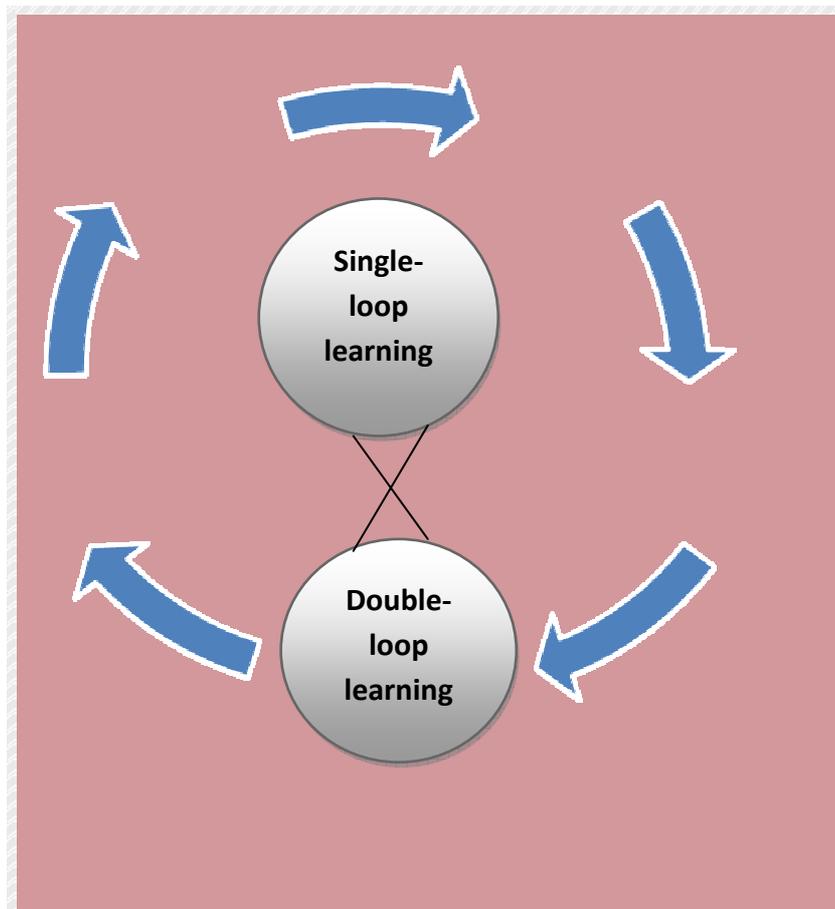
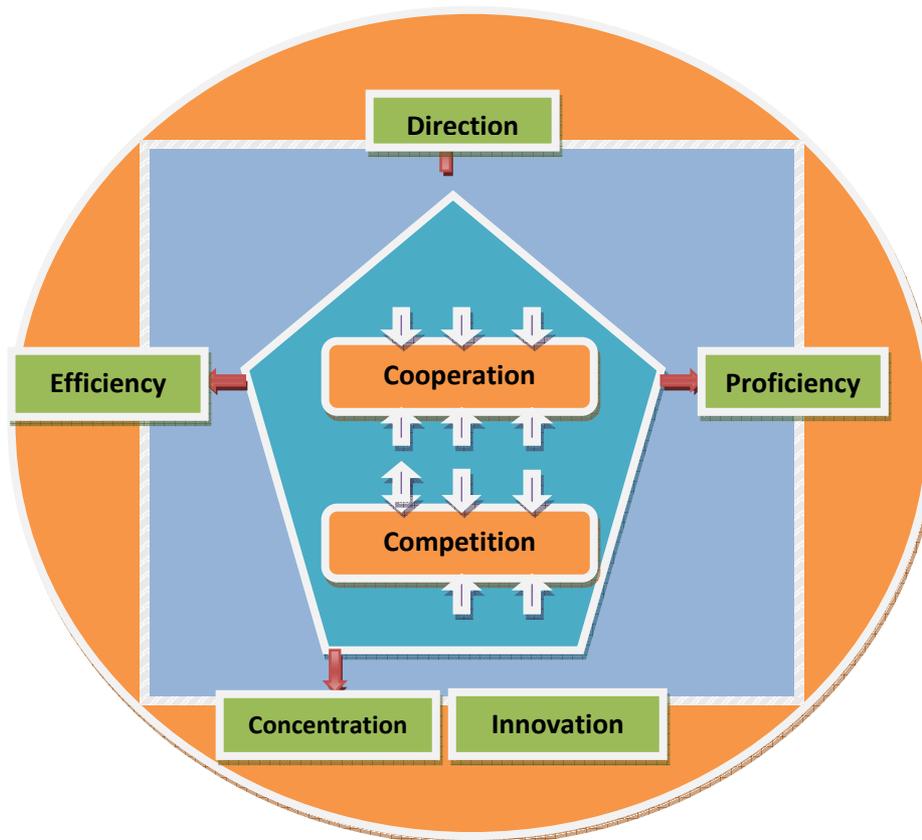   **Source : (Jashapara,2004:253)**

The model of a competitive learning organization states that learning alone is not enough to sustain competitive advantage . The emphasis in the model is on directing learning or how best to focus the learning . The problem with any perspective approach is that the external competitive environment tends in its fluctuations to be focused on the dominant competitive force acting on an organization at any given point in time . Unfortunately , these forces are dynamic by their nature and change overtime. The learning focus for a competitive learning organization is based on a system of seven forces identified in effective organizations(Mintzberg,1991).There are five generic forces that act externally on an organization and two opposite internal forces as shown in figure (4) . At any given time , one of these forces tends to dominate and learning is focused on responding to this force as best as possible . If innovation is the dominant force for instance , learning efforts may be directed to creativity through expression of tacit knowledge with the leverage of symbolic language . The dominant external forces affecting organization due to changes in the competitive environment are as follow (Jashapara,2004:254):

1. Direction force is related with strategic vision and might be constituted in start-up or turnaround situation for an organization .
2. Efficiency force is regarded with standardization and formulation of processes and may connect to bureaucratic organizations where rationalization and restructuring are a main focus .
3. Proficiency force is concerned with tasks that need high levels of and skills and knowledge and probably relate to professional organizations .
4. Concentration force is correlated with concentrating efforts on serving certain markets , particularly in large diversified firms .
5. Innovation force is connected with discovering new things for the customer and may relate to adhocracies comprising skilled experts or multidisciplinary projects .

Figure(4) Competitive learning organization

Source : (Jashapara,2004:253)

There are also two internal cultural forces that have an impact on organizational learning ; the force of cooperation and competition . In this regard , organizational culture is viewed as a result of continual endeavors by groups of employees in an organization to impose values and identities on the role of others . There may be limits to the levels of cooperation in an organization as ideology discourages change and if employees perceive a need for change, they may be obliged to threat that ideology .

A competitive forces are seldom static and vary over time in perpetuity. For example, some organizations may be so fixed on improving their efficiency over several years that they fail to recognize that they need to focus on innovation given the market changes with new products and services .

The competitive learning organization is seen as an ideal rather than an end state . The fluctuating nature of the competitive environment and the fragility of competitive bases means that organizations are likely to maintain their competitive learning phase for very limited periods before they slip into either a teaching phase , or a static phase as shown in table (1). The static organization is characterized by a lack of learning . These organizations may view their employees as costs must be minimized rather than assets must be developed . Such organizations will face an internal problem due to the absence of suitable response to the external environment . This problem may act to inhibit learning or result in a transformation into a competitive learning phase .

Table(1) Development of a competitive learning organization

Type of an organization / Details	Static organization	Teaching organization	Competitive learning organization
Level of organizational learning	poor	Fair	High
Rate of learning	Poor	Fair	High
Learning focus	None	Limited	High
Level of communication	Poor	Fair	High
Flow of communication	None	One way	Two-way
Organizational performance	poor	Fair	High

Source : (Jashapara,2004:255)

The competitive learning organization places high value on the learning of all its employees at individual, group and organizational levels . learning dissemination is facilitated through open channels of two-way communication throughout the organization. Each employee is committed to focused learning that responds to forces in the external competitive environment .
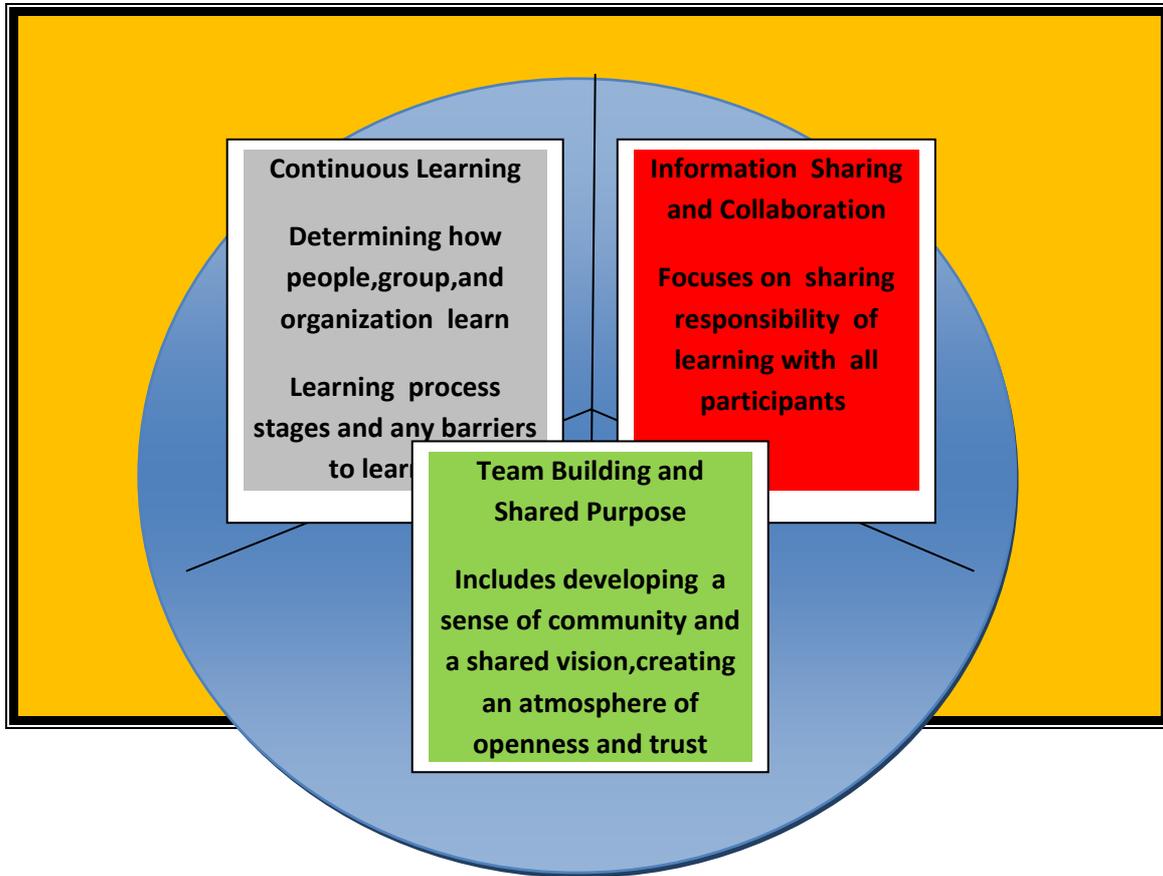
Major cultural changes like variations in forces of cooperation or competition may be diffused throughout an organization ,forcing it to move towards a teaching organization where the role of executives as teachers becomes important . As these organizations are characterized by one-way communication from executives to employees, to some extent top-down ,there is no big chance for exchanging information and knowledge . Learning becomes hardship and organizations may find themselves move into static organizations. The contemporary competitive environment for many organizations is characterized by a random turbulence in line with globalization, deregulation of markets, changing customers and investors needs and demands and increased competition. There is a growing need in organizations to move beyond solving current problems to improving continuously in the face of rapidly changing environment. The idea is to build a flexible, profitable learning organization seeking a sustainable strategic advantage in today's competitive learning environment (Kapp, 1999:2).

Finally, the competitive learning organization by its nature has the ability to adapt to the contemporary rapidly changing environment with gaining knowledge as it develops in perpetuity . One must know that organizational learning to be an effective change , needs some culture shift so that a learning organization maintains three main characteristics which makes the organization become skilled in capturing , transferring , and managing knowledge in terms of problem solving , acquiring experience , and learning from its surrounded environment internally and externally as show in figure (5). Learning to know how to learn is the most important prerequisite for aligning with a culture that values learning continuity towards gaining a sustainable competitive advantage (Hartel, et al , 2007:103).

Figure(5) Learning Organization

Continuous Learning

Determining how people,group,and organization learn

Learning process stages and any barriers to learn

Information Sharing and Collaboration

Focuses on sharing responsibility of learning with all participants

Team Building and Shared Purpose

Includes developing a sense of community and a shared vision,creating an atmosphere of openness and trust

Source: Adapted with some alteration from (Hartel, et al , 2007:103).

4.The Integration between Macro and Micro Levels Through Meso Approach

Multilevels perspective views micro elements as phenomena embedded in macro contexts and that macro contexts as phenomena emerge through the interaction and dynamics of lower-level elements . The macro perspective as it is rooted in sociological origins, assumes that there are substantial analogies in social behavior that exceed the apparent differences among social actors, namely people will behave similarly. Thus, it is possible to concentrate on integrated or collective responses and to pass through individual differences . In contrast, the micro perspective is rooted in psychological origins. It assumes that there are differences in individual behavior, and that a focus on integration will capture important individual differences. Neither micro-level perspective nor macro-level perspective can separately interpret organizational behavior. The macro perspective neglects the means by which individual behavior and perceptions affect higher-level phenomena.. Organizations do not behave; people do. In contrast, the micro perspective neglects contextual factors that can limit the effects of individual differences that form a collective responses, which ultimately constitute macro phenomena (Klein and Kozlowski , 2000: 3) .

Accordingly , multilevel approach bridges the micro-macro divide , integrating the micro focus on individuals and groups with the macro focus on organizations, environment, and strategy .The outcome is a deeper image that tackles the influence of the organizational context on individuals' actions and perceptions and the influence of the latter on the organizational context. Therefore, multilevel approach clarifies the steps organizational actors take , individually and collectively , to produce some benefits to the organizational theory and research (Klein,et al ,1999:243). House and colleagues (1995) suggested:

"the term meso because it captures this sense that organizational science is both macro and micro. The limitations that the organizational disciplines suffer with respect to influencing policy and applications can be resolved through the development of more complete models of organizational phenomena-models that are system-oriented but do not try to capture the complexity of the entire system. Instead, by focusing on significant and salient phenomena, conceptualizing and assessing at multiple levels, and exhibiting concern about both top-down and bottom-up processes, it is possible to build a science of organizations that is theoretically rich and application-relevant".(Klein and Kozlowski , 2000: 3).

5. Multilevel Competitive Learning

In order to create a competitive learning organization ,managers need to encourage learning at four levels : individual, group, organizational , and interorganizational (Jones,2007:341-344; Wilson,2010:203-207):

A. At individual level : managers need to do all they can do to facilitate the learning of new skills, norms ,and values so that individuals can increase their own personal skills and abilities and thereby help build the organization's core competences.

Peter Senge has argued that organizations should empower individuals and allow them to experiment and create and explore what they want. A learning organization can encourage employees to form complex mental models and develop a sense of personal mastery by providing them with the opportunity to assume more responsibility for their decisions .This can be done in a variety of different ways .Employees might be cross-trained so that they can perform many different tasks, and the knowledge that they gain may give them new insight into how to improve work procedures.

B. At group level, managers need to encourage learning by promoting the use of various kinds of groups- such as self –managed groupsor cross-functional teams so that individuals can share or pool their skills and abilities to solve problems . Further, various learning patterns and preferences cultivate people to learn from each other and participate to the strengths in any given group (Teare and Dealtry,1998:55).Groups allow for the creation of synergism- the idea that the whole is much more than the sum of its parts – which can enhance performance . Senge refers to this kind of learning as team learning , and he argues that team learning is more important than individual – level learning in promoting organizational learning because most important decisions are made in subunits such as groups , functions , and divisions.

C. At the organizational level, managers can promote learning through the way they create an organization's structure and culture . An organization's structure can be designed to inhibit or facilitate intergroup communication and problem solving, and this affects team members ' approach to learning . Culture ,too, is likely to be an important influential factor on learning at the organizational level . A another of Senge's principles for designing a learning organization emphasizes the importance of building shared vision , by which he means building the ongoing frame of reference or mental model that all organizational members use to frame problems or opportunities and that binds them to an organization . At the heart of this vision is likely to be the set of terminal and instrumental values and norms that guide behavior in a particular setting and that affect the way people interact with individuals and groups outside an organization ,that is, organizational culture.

D. At interorganizational level, organizational structure and culture also determine how learning takes place . For example, organizations with organic, adaptive cultures are more likely to actively seek out new ways to manage interorganizational linkages with other organizations while mechanistic conservative cultures are slower to recognize or to take advantage of new kinds of linkages mechanisms. In general , interorganizational learning is important because organizations can improve their effectiveness by imitating each other's distinctive competencies . In fact , Senge's fifth principle of organizational learning ,systems thinking, emphasizes that in order to create a learning organization ,managers must recognize the effects of one level of learning on the another . Thus, for example, there is little point in creating teams to facilitate team learning if an organization does not also take steps to give its employees the freedom to develop a sense of personal mastery. Similarly, the nature of interorganizational learning is likely to be affected by the kind of learning going on inside an organization . By encouraging and promoting organizational learning at each of these four levels –that is, by looking at organizational learning as a system – managers can create a learning organization that facilitates an organization's quick response to the changes in the environment that are constantly taking place around it.

Consequently, knowledge can be considered as an influential factor on the competitive learning at each of diffusion at individual, network, and systems levels as a multilevel process the individual and groups (micro), network or integrative (meso) and organizational and interorganizational(macro) levels simultaneously with their mutual interrelationships .This means that there is much to be learned strategically and that everyone in the organization must contribute to the competitive learning process to keep pace with nowadays rapidly changing turbulent environment . And achieving a sustainable competitive advantage to make an organization a one that, continuously, adapts to environment so that it can be developed as a sustainable multilevel competitive learning organization .

Summary and Remarkable Conclusions

The accelerated change in all environmental elements (economic , social , political, technological, or even cultural) force organizations to search for strategic alternatives which are more appropriate to the current and future business environments . Then , facts indicate that the only sustainable advantage organizations will have in the future is their ability to learn faster than their competitors. This competitive advantage can be achieved by transforming the organization into a competitive learning organization by aligning itself to the environment and focusing its multilevel learning on the major competitive forces in a continuous basis . Many important conclusions this study reached in terms of the conceptualization prescribed are as follows:

1. The most important implication of this proposed conceptual framework is that developing competitive learning organization is multistage process begins with building learning culture at all levels both individual and systems levels, and continues to focus learning on the most dominant environment forces .

2. Knowledge diffusion is a prerequisite for achieving organizational learning sponsored by effective learning network.

3. Multilevel approach explains the effects of organizational learning on the individual and group learning through top-down processes and the influence of individual and group learning on the organizational learning as a whole through bottom-up processes .This indicates that there is a clear interaction between the behavioral and cognitive processes .

4. At the individual and group level , managers motivate individuals to learn and share values, skills, and abilities to solve problems and help an organization builds its distinctive core competencies . Managers support learning at the organizational level , through the way they shape an organization's strategy ,structure and culture . An organization's structure can be designed to facilitate communication and problem solving ,and this affects team members ' approach to learning . Culture can enforce a substantial influence on learning at the organizational level. As for interorganizational learning, organizations can improve their effectiveness by imitating each other's distinctive core competencies.

5. Managers can transform their organizations into learning organizations when they succeed in developing some social networks (meso) compromising both individual and group learning (micro) and systems learning (macro) levels.

6. Managers also transform learning organizations into competitive learning ones when they succeed in directing the learning process into capturing the most powerful forces in the competitive environment in perpetuity .

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