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# Organisational Learning in Service of Strategic Planning: Case Study on an International Organisation

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## Abstract

Managing knowledge development is critical to the proper functioning of a learning organisation. Moreover, organisational learning should be incorporated into the strategic planning of such a learning organisation to ensure the long-term survival of the organisation. In this paper, these issues are critically discussed in the context of an international organisation. It is found that although the bulk of the organisation's work is knowledge-based, it faces problem in cultivating a "learning" culture within the organisation. There is little mutual learning between management and staff. The organisation also faces leadership and willingness problems. It would be critical for the organisation to come to terms with leveraging its knowledge base in planning for its sustainable development.

## 1. Introduction

According to Drucker (1993) [5], knowledge has become the resource leading to organisational uniqueness. Knowledge is a shared collection of principles, facts, skills and rules [8], and is a function of information, culture and skills [10]. The ability of organisation to compete will depend increasingly upon their ability to compete, develop new knowledge, and create maximum market value for the knowledge [6] [9]. In this paper, the organisation we choose to discuss is the International Telecommunication Union (ITU), a specialised agency of the United Nations at Geneva, Switzerland. In charge of regulating worldwide radiocommunications, setting up worldwide telecommunication standards and leading world telecommunication development, ITU is the world's oldest intergovernmental organisation. With a staff of more than 1,000 from all around the world, ITU has a very hierarchical structure. The Secretary-General and his deputy, together with the three directors of the bureaus, make up the top management, with department and unit heads reporting to them.

ITU may be said to be in a crisis. For more than a century, ITU's membership consisted mainly of national telecommunication administrations that contributed to most of ITU's financial and intellectual resources. These national telecommunication administrations had traditionally been (pseudo-) monopolies in their respective home countries, and could thus represent the

totality of the interest of the telecommunications industry in those countries. Since the early 1990s, however, most national telecommunication enterprises have been privatised, while the telecommunication industry has also been liberalised, allowing new entrants to the industry. These new entrants would also like to have their voices heard and their interests represented in an international forum such as the ITU. Additionally, the Internet phenomenon has also shifted the work focus of ITU from traditional telecommunications to novel information and communication technology. As such, planning to stay relevant in a world of privatised international telecommunication and advancing Internet connection, while maintaining the intergovernmental nature of the organisation becomes the top priority for ITU. ITU's strategic planning activities are carried out by the Strategies and Policy Unit (where the principal author served as administrative officer) within the Secretary-General's Office, which are then ratified by the Plenipotentiary Conference, the supreme organ of the ITU.

Based on the first-hand observations of ITU's functions and works by one of the authors who was an administrative officer in ITU's Strategies and Policy Unit, this paper attempts to capture the organisational learning process in a learning organisation, and the interaction between leadership and strategic planning (or the lack thereof) in such an organisation.

## 2. Managing Knowledge Development in a Learning Organisation

Knowledge and its management is central to ITU's works. The bulk of ITU's intellectual works are done by the "study groups", who are panels of experts from both inside and outside of ITU. ITU then disseminates and implements the fruits of their works. ITU will not survive without the crucial functions of knowledge development. As a knowledge-based organisation, ITU must then adapt itself to being a learning organisation.

Organisational learning has variously been defined as the process of improving actions through better knowledge and understanding [7] and interactions between adaptation at the *individual* level and adaptation at the organisational level [2]. Organisational learning may be conceptualised into single- and double-loop

learning [11]. In single-loop learning, the individual learns the “rules of the game” during his routine work in the organisation, while in double-loop learning, the changing of the rules and ultimately the organisation based on learning kicks in. While an individual learns to solve problems, the organisation develops systems and processes for attaining results. Organisational knowledge aids decision making, behaviour and actions, and is primarily developed from *individuals* in the organisation [8]. However, this is not always the case in practice. A newly elected ITU top management team typically settles in and tries to learn the “ropes” of ITU so as to effect change. Often, however, they are instead assimilated into the ITU “culture” and continues with the old ways of doing things. It may be argued that their level of learning is not profound enough so that they may discern ITU’s deficiency and cause change.

### **3. Organisational Learning in a Learning Organisation**

Organisational learning is also about detecting errors or anomalies and correcting them by restructuring organisational theories in use [1]. In this respect, ITU’s managers have not done a good job. An average ITU manager simply slugs through his daily work without realising either the relevance or the correctness of his or his department’s course of actions. Moreover, despite a one-person internal audit department, there is no formal feedback mechanism for detecting and correcting administrative or substantial errors. The “feel good” and “save face” nature in a diplomatic environment also means that ITU staff and work participants are not exactly encouraged to voice their concerns. A small training department is more for window-dressing than offering any learning opportunities, such as scenario analysis.

Another issue which impacts ITU’s learning process is the dichotomy between explicit and implicit knowledge [4]. The former, being tangible, clearly stated and consisting of details which can be recorded and stored [8], resides primarily with ITU’s rank-and-file staff, who are mostly specialists in their various fields. The latter, which is often tacit, unstated, and based on individual experience, is often mastered by the managers, who have been wallowing in the ITU bureaucracy for years, who learned the dos and do-nots in ITU the “hard” way. Ideally, a mastery of both types of knowledge would be conducive to organisational learning, but in ITU’s case, there is scarcely any mutual learning process between the management and the staff.

### **4. Strategic Planning in a Learning Organisation**

Strategic planning can be defined as the devising of a game plan consisting of the courses of action a company wants to take. It enables the organisation to follow a well-defined path in a turbulent environment. In

particular, in Greiner’s organisational life-cycle (cited in [12]) which postulates that organisation pass through 5 evolutionary growth stages and 5 revolutionary crisis points, the first crisis is that of *leadership*, after the solution of which the organisation learns to deal with this crisis and moves on to another evolutionary stage. In ITU’s case, there is indeed the crisis of *leadership*, as no clear goals are set and no inspirations are offered by either the top management or the middle-level managers. Both the organisation and the managers may thus be said to be yet to emerge from this leadership crisis, and therefore have not moved on to another evolutionary stage in the organisation’s growth.

Indeed, leadership is a critical issue for ITU. Senge (1990) [11] opines that a leader’s role in the learning organisation is that of a designer, teacher and steward who can build shared vision and challenge prevailing mentalities. Nevertheless, several factors exist to undermine this role for the leaders in ITU. In particular, ITU there exists the managerial sub-culture of over dependence on professional assistants to do the “learning” for the managers, rendering the latter often little more than presenters in public. The highly politicised atmosphere in an intergovernmental organisation also means that the differences in authority among the various heads are stiff, and they are very jealous in guarding their own “turf” of knowledge instead of sharing it with others.

De Geus (1995) [3] also said that a company that exists to survive needs a higher level of skill in dealing with the changing environment. As such the members of the organisation need to continually learn to adapt, manipulate and progress. This should have been the case with ITU, which is an organisation trying to find its place in a new and more variable environment. ITU should therefore incorporate a high degree of learning into its strategic planning. Although ITU does have a formal planning system in place, the system suffers from a number of deficiencies, ranging from specialist-domination of the planning process which abounds with details but lacks of vision, to an obsession in searching for the mythical “right” strategy while failing to assign ownership to any makeshift plans. And those plans are often not at all implemented. For example, during every recent ITU Plenipotentiary Conference (the highest governing organ of ITU), a Strategic Plan is typically adopted, but a new top management team which might not have drafted or been consulted about the Plan is typically not particularly interested in implementing it. It may thus be said that what ITU suffers from is not a lack of expertise or knowledge but a dearth of willingness, means and vision to incorporate them into the strategic planning process.

### **5. Conclusions**

In summary, it is clear that an organisation that makes it its business the development and management of

knowledge should itself set an example as a learning organisation. The irony of the non-accomplishment of this task is amply observed in the case of ITU. It is critical that the managers in such an organisation should set the vision and the norm of learning in the organisation. If they fail to do so due to personal incapacity or unwillingness, the implication for the strategic survival of the organisation will indeed be profound. For the incorporation of learning into the strategic planning and implementation process of an organisation will like be the differentiating factor between those that survive and prosper on the one hand and those that become casualty of a changing environment on the other hand.

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**Note:** The full paper is available from the CD of conference proceedings.