Sustainable organizational capacity building: is organizational learning a key?

Merrick L. Jones

Abstract This article offers reflections on an unexpected outcome of a study of the distinctive ‘twinning’ method employed during the last two decades by the Swedish International Development Cooperation Agency (Sida) to promote sustainable organizational and institutional capacity building in developing countries. Twinning arrangements have produced impressive benefits at the level of professional/technical upgrading, but results at the level of sustainable capacity building have generally been less satisfactory. Consequently, Sida have speculated whether the notion of organizational learning might provide a productive framework for twinning projects.

The article reports on what appears to be the ‘discovery’ of an evolving ‘learning organization’ in apparently unlikely circumstances, and examines the factors which might account for this. The broader implications of the ‘discovery’ are discussed, and the possible relevance of the notion of tacit knowledge is suggested.

Keywords Capacity building; organizational learning; tacit knowledge.

Introduction

It is now generally accepted that the strengthening of organizations and, more broadly, of institutions is an urgent and crucial priority in many developing countries (Grindle and Hildebrand, 1995). The notion of organizational learning appears to have considerable potential relevance in this respect (see, for example, Brodtrick, 1998; Edwards, 1997). However, despite a huge and growing literature on the subject, it seems that we rarely encounter a ‘learning organization’ in real life. We offer here some reflections based on a study of a governmental agency which – in many ways unexpectedly – seems to be developing some of the characteristics commonly attributed to a learning organization.

These observations derive from a study, described below, of a method for institutional capacity building used by the Swedish International Development Cooperation Agency (Sida), which the agency calls ‘twinning’. Although the concept of organizational learning was a major element of the study, the ‘discovery’ of such characteristics in the organization mentioned above was rather unexpected, even serendipitous. It was also thought provoking.

In this article we briefly discuss the notion of organizational learning, describe the background to the twinning study, and examine some characteristics of a government department which led us to believe that we might have ‘discovered’ a learning organization, at least a putative one. We offer some ideas on what lessons might be
learned from the experience of the agency. And we suggest the implications of the notion of tacit knowledge in this context.

Organizational learning

The notion of organizational learning is currently the subject of an enormous output of writing and debate. As is usual in the field of organization and management, two almost separate literatures have developed: one by scholars and practitioners who are trying to clarify, develop, and operationalize the concept, the other by populist writers who perceive organizational learning – commonly presented as ‘the learning organization’ – as the latest potentially profitable managerial fad.

The criticism of the second group is obvious. They trivialize the concept and make absurdly exaggerated claims for the marvels it supposedly offers for practising managers, including: transformational leadership, skilful change management, seductive vision/mission statements, participative management, transparency, open communication, malleable organizational culture, flattening of organizational ‘architecture’, downsizing, authentic delegation of authority, and empowerment of stakeholders. In fact, it is probably not going too far to fantasize that we could go through almost any populist book on a previous fad – say total quality management (TQM) – substitute all references to TQM with ‘the learning organization’, and thus produce yet another new tome on the topic! This situation is reflected by the conclusion of Field (1998) and Sharratt and Field (1993), who carefully surveyed the literature on ‘the learning organization’ and concluded that much of it offered rhetoric rather than reality.

The first group, the more serious writers, offers a broad range of descriptions and prescriptions of organizational learning, much of it of considerable interest. However, there is a dismaying degree of incoherence and contradiction in this field. To take two examples: first, while there is no shortage of descriptions of what are asserted to be the characteristics of ‘the learning organization’ or of its claimed unique virtues (see, for example, Dale, 1994; Dixon, 1994; Pedler et al., 1997), there is far less attention to the question of how organizations might learn, to the process of organizational learning. This seems a strange lacuna. A parallel might be for psychologists to expend their efforts on investigating the advantages for individuals of engaging in lifelong learning and on delineating the characteristics of the adult learner, while failing to offer any explanation of how individuals learn. If, for example, we accept the value of competing theories of individual learning which emphasize learning by modelling, learning from stimuli and reinforcements, learning by elaborating the cognitive structure, and learning from taking action, should we not logically be looking for parallels at the organizational level? We are, after all, asserting that organizations can learn. Much of the organizational learning literature is generally not very helpful in relation to such seemingly obvious questions.

The second example (and this may be considered almost heretical) concerns the work of Peter Senge, one of the most prodigious – and prestigious – contributors to the field. The two monumental works on which his reputation is largely built – The Fifth Discipline: The Art and Practice of the Learning Organisation (Senge, 1990) and The Fifth Discipline Fieldbook (Senge et al., 1994) – provide an overwhelming array of descriptions and prescriptions of ‘the learning organization’. By the time one has ploughed through these immense tomes one is exhaustedly convinced of the possibility and unquestionable desirability of ‘the learning organisation’. Yet how does our guru reward our persistence and conversion to the cause? He tells us (Senge, 1997: 17) that there is no such thing as a learning organization! This is like a psychologist who dazzles
us with the immense promise of lifelong learning, describes in great detail the characteristics of the lifelong learner, and then casually informs us that there is no such being.

But the concept of organizational learning is not new. Perhaps we need to return to the earlier writings, for example, of Argyris and Schon (1978), Kolb et al. (1971) and Revans (1980), which predate the ‘learning organization’ fad phase. These writers developed theories of learning which incorporate the possibility of learning at the organizational level. Kolb’s influential experiential learning theory and Revans’ profound action learning theory both emphasize the notion of learning from experience: learning takes place when individuals critically reflect on their lived experience, generalize from their reflection, and experiment with new behaviours, thus constructing experience for further reflection. Learning is conceptualized as a cyclical process.

Revan’s approach is particularly relevant in relation to sustainable development, emphasizing that organizations will survive and prosper in turbulent times only if their ability to learn from their experience exceeds the rate of change. Revans sees what he calls ‘questioning insight’ as the key to living with change, dealing with the unprecedented – which is what organizations are increasingly being required to do.

These theories seem to offer some insights into how learning might occur at the organizational level. The following elements are seen as important to organizational learning processes: a) an organizational culture which not only allows but actively encourages questions by employees at all levels; b) the development throughout the organization of the skills of critical reflection; c) regular and varied opportunities for sharing questions and reflection; d) a continuous search for opportunities for learning from the organization’s ongoing operations; e) taking action based on such learning; and f) critical reflection on the outcomes of action.

The twinning study

The study was commissioned by Sida to provide evidence to enable them to make judgements about the efficacy of the twinning method as a vehicle for sustainable organizational capacity building, and to examine ways of enhancing the method. The study focused on: learning processes, at the individual and organizational levels; assumptions about skill and knowledge transfer; issues of asymmetrical patterns of influence, resources, expertise, and experience between twinned organizations; incentives and disincentives; contradictions between sustainable capacity development and improvement at the professional/technical level; and expectations and perceptions of Sida and the partner organizations.

Sida selected as case studies for the collection of primary data two current projects based on twinning arrangements: (1) between the National Statistical Centre, Laos, and Statistics Sweden, and (2) between the Office of the Auditor General (OAG), Namibia, and the Swedish National Audit Bureau (RRV). Data were collected primarily through semi-structured interviews with individuals in the four organizations, in Laos, Namibia and Sweden, and in other organizations, including government ministries, international agencies, and Sida itself.

Sources of secondary data included: documents produced by the developing-country partner organizations; documentation relating to other Sida twinning projects, including project proposals and evaluations; Sida policy papers; publications by Statistics Sweden and the Swedish National Audit Bureau; relevant journal articles; unpublished papers; and reflections on the experience of twinning shared by the two researchers. The results of the study in relation to the twinning method are reported in detail elsewhere (Jones and Blunt, 1999).
Sida’s twinning method for institutional development

Sida’s twinning method, which has been used extensively during the past two decades, rests on the creation of partnerships between organizations with similar functions, in developing countries and Sweden. Sida developed its twinning method in response to the perceived deficiencies of the then conventional technical assistance approach (Dyrrssen and Johnston, 1991), which commonly emphasized the provision of infrastructure in the form of buildings, equipment and vehicles, accompanied by intensive formal education and training of key individuals. Sida realized the need to enhance the sustainability of the outcomes of its development co-operation projects by moving the emphasis from the development of individuals to the development of organizations and institutions. This shift in focus was reinforced by an emerging literature which seeks to apply theories and practice of organizational development to the field of international development co-operation (see, for example, Cooke, 1997).

More recently the literature on organizational learning has been seen by Sida as offering a potentially productive conceptual framework for twinning arrangements. Sida believes that ‘two institutions with the same or similar task in their respective countries should be able to create a more dynamic cooperation atmosphere’, and that ‘the twinning of two organisations means learning; that the two organisations learn from each other through sharing experience’ (Sida, 1997).

The study mentioned above was commissioned by Sida partly to examine whether this belief is supported in practice. Hence it focused on questions such as: Does twinning really mean learning? If so, how does such learning occur? Do the organizational partners in developing countries become learning organizations? If so, what are the factors which influence the process?

‘Discovering’ a learning organization

A major issue in Sida’s twinning arrangements is the evidence that, as one might expect from sustained inputs of Sida funding and Swedish professional expertise, the projects generally make good progress in relation to their technical/professional development objectives, but that they often seem to have less impact at the level of sustainable organizational/institutional capacity enhancement. To some extent this is understandable, since the ‘developed’ – usually Swedish – agencies are selected by Sida primarily because they are in the same ‘business’ as their developing-country partners (for example, auditing, banking, statistics), rather than for their expertise in institutional capacity building or organizational learning.

Numerous evaluation teams have investigated this issue in relation to individual projects and made recommendations to Sida, aimed at improving the performance of twinning in relation to their organizational and managerial development objectives. In the two twinning arrangements selected by Sida as case studies for our research – in Namibia and Laos – we were particularly interested in looking at this element of the projects. As mentioned above, in line with its superordinate goals as a development agency, Sida’s intention is that twinning arrangements should produce sustainable enhanced organizational capacity and that this should occur as the developing country organization learns from its more mature partner.

Hence we were looking for evidence that such inter-organizational learning was taking place. If it was, we would expect to find that much of the dialogue between the twinned agencies would be about individual and organizational learning, capacity building, organizational/institutional development and change, and sustainability; not just about professional/technical issues. Of particular relevance here is a point which we
mentioned earlier, in the section on organizational learning: that organizations which
have, or are developing, a culture of learning habitually look out for opportunities for
learning which are presented by their ongoing activities, prompted by the question
‘what can we (or what did we) learn from doing this?’

As noted in the introduction, it is unusual to find anyone who claims actually to
have experienced a learning organization. Therefore we were intrigued to experience
in the Office of the Auditor General (OAG) in Namibia clearly discernible – mainly
impressionistic – cues to suggest that we might have ‘discovered’ an evolving learning
organization.

Before we discuss this ‘discovery’, it is appropriate here to provide briefly some
basic information about the national environment of OAG: the Republic of Namibia.
Namibia achieved its independence as recently as 1990, following a long and violent
struggle to end the illegal rule of South Africa. The liberation movement, the South
West African People’s Organization (SWAPO), subsequently formed the first govern-
ment of Namibia, with Dr Sam Nujoma becoming the country’s first President.
Bordered by Angola and Zambia to the north, Botswana to the east, and South Africa
to the south, Namibia has one of the lowest population densities in the world, with a
population of just over 1.6 million and a land area of 824,269 sq. km. It is an arid
country, accommodating parts of two great deserts, the Namib and the Kalahari.
Namibia’s economy is dominated by mining and quarrying (primarily of diamonds),
commercial fishing, and agriculture. GDP per capita is high by African standards, at
US$2267 in 1995, compared with South Africa’s US$3653 (most recent figures
available: Standard Bank Namibia, 1999).

At Independence, the Government of Namibia inherited the administrative structures
left by the departing South African regime, which had operated with Pretoria as their
headquarters. The Office of the Auditor General is a department within this structure, a
relatively small unit in a large government bureaucracy. The operational staff of the
Office are professionals, rather than generalist civil servants. As Revans (1991) has
frequently observed, professions by their exclusive nature have a tendency to assume
that they have all the answers in their field (hence the development of arcane specialist
languages), a tendency which has the effect of making questions unnecessary or
unwelcome (i.e. the antithesis of a learning organization): ‘Our ignorance alone can be
. . . traded, and even then only after finding out what it might be’ (Revans, 1991: 31).

When we came to describe the cues which led us to believe we might be experiencing
a putative learning organization, we found that, in accordance with currently dominant
Western views (Blunt and Jones, 1997), a critical influence in changing the organiza-
tional culture of the Office was its leadership. The Auditor General was an unusual
individual. Crucially, he was not an auditor. This had two obvious consequences: he
was forced to rely on the professional knowledge and experience of his – professional
auditor – subordinates, which meant that he had to trust them; and he was forced to ask
questions. He was – also unusually in such a context – a sceptic concerning donor
assistance, and required convincing evidence of its potential benefits to his Office, a
stance which again made him ask pointed questions. These and other elements of the
Auditor General’s leadership style seemed to have created an organizational climate in
which it was all right to ask questions. In our research we met with the recently
appointed young, ambitious, articulate junior staff, recruited from the local university
and polytechnic, and were impressed by their confidence in asking questions and in chal-
 lenging the status quo – in our experience, very unusual in public-sector bureaucracies in
African countries, where questions are usually actively discouraged.
Other factors which seemed significant were: a teamleader (one of the long-term consultants commissioned by the Swedish National Audit Bureau) who appeared to have achieved an unusually productive balance between being sensitive to OAG concerns while significantly influencing the direction of the project; a team of committed long-term Swedish consultants who were actively involved in promoting a questioning climate and saw a major part of their role as the provision of continuous on-the-job training; long-established managers (professional auditors), from the old regime, who generally understood the inevitability of moving towards a more open, participative management style, and were prepared to undertake training to enable them to change the culture of their organization; the creation of a cadre of enthusiastic trainers in OAG; achievement of very considerable increases in OAG’s budget for training; training activities which were clearly seen to enhance performance and were linked to promotion; movement towards a reward system linked to performance; and enhanced professional competence and job satisfaction from successfully undertaking significant and widely publicised performance audits, which the Office was not capable of doing previously.

It was not too hard to observe and record this unusual organizational combination of fairly commonplace and extremely distinctive elements. It is far more difficult to convey in words the experience of being in this organization, and why we felt that we were encountering something rather unusual. Of course, this is the nature of culture, including organizational culture.

**Discussion**

This last point in the preceding paragraph encouraged us to question how this culture of learning might have come about. Much of the literature on ‘the learning organization’ (see, for example, Beer and Eisenstat, 1996; Digenti, 1998; Dovey, 1997; Senge, 1994) asserts that managers predominantly see organizational learning as a desirable ‘extra’, to be aimed for when ‘real’ concerns like the need for effectiveness and efficiency have been addressed. It argues that, on the contrary, organizational learning is the real concern in an era of accelerating and turbulent change. Many contributors to the debate provide prescriptions and advice about how organizational learning might be encouraged and how ‘the learning organization’ can be achieved. The consistent message is that managers can and must take deliberate actions which will move organizations towards becoming learning cultures. The problem in practice is often that the immediate concerns of managers with day-to-day organizational demands – understandably – take precedence over long-term, seemingly nebulous, issues such as trying to develop a culture of organizational learning.

This has not been the case with OAG. It is possible that the Auditor General, an economist by training, and his senior managers who are professional auditors, may have previously heard of organizational learning, but understandably they had no particular interest in the notion, having much more urgent professional/technical concerns. They certainly had no intention, much less a strategy, to initiate the process in their Office. It appears that the process of organizational learning was encouraged by a combination of factors: the leadership of the Auditor General, the presence of the Sida twinning project in the OAG, the necessity to reform the Office thoroughly so that it could serve an independent Namibia (which involved learning how to undertake new types of functions, like performance audits), the demand for additional activities such as performance audits, and the need to perform to more demanding standards. In other words, organizational learning seems to have been engendered in the work of the Office.
We find the notion of *tacit knowledge* useful here. Mann explains that: ‘Tacit knowledge is about practical experience, know-how and learning while doing. It reflects intimate understanding of incrementally evolving work environments, of what can lead to abilities acquired over time that become difficult to replace and which users take for granted because they become second nature’ (1999: 9). Is this what is happening in OAG, as abilities are acquired over time in the evolving work environment? Is organizational learning becoming second nature there? Is organizational learning, like individual learning, a *natural* process, needing only a suitable environment in which it can flourish? We have argued that the combination of factors in the Office is, to say the least, unusual, but then all organizations are unique in some respects. On *critical reflection*, perhaps what we might learn – or, perhaps more accurately, relearn – from their experience is that the messy everyday experiences of organizations are themselves potentially the most powerful source of learning, if only we can recognize them as such.

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**References**


