



On Organizational Learning

SECOND EDITION

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Preface

The premise of this book is that organizational learning is a competence that all organizations should develop. The reasoning underlying this premise is that the better organizations are at learning the more likely it is they will be able to detect and correct errors, and to see when they are unable to detect and correct errors. Also, the more effective organizations are at learning the more likely they will be at being innovative or knowing the limits of their innovation.

An error is any mismatch between plan or intention and what actually happened when either is implemented. The book provides insights into what creates mismatches or errors and how to begin to correct them. The ideas should be applicable to detecting and correcting mismatches that are technical, administrative, or human (that is, individual, group, intergroup, and organizational).

I place a heavy emphasis upon detecting and correcting errors that are potentially or actually embarrassing or threatening to the participants, be they acting as agents for the organization (and its components such as group or intergroup or departments) or for themselves. One reason for this emphasis is that experience shows that organizations have the most difficulty at learning when the problems are difficult, and embarrassing or threatening, in short, precisely when they need learning most. A second reason is that there is in the research literature little focus upon these conditions.

I have recently conducted an examination of the organizational research literature about business, government, and education organizations. I found many books and articles that described barriers to organizational learning at all levels and for all kinds of problems. I also found that the researchers did not focus upon producing actionable knowledge on how to reduce or lower these barriers. In those cases when they did, the advice was either disconnected from the world of practice or, when examined carefully, the advice could actually strengthen the very barriers that were supposed to be overcome (Argyris, 1990). And when the data were available, it appears that the writers were often unaware of the gaps. Those who are aware of them often cited norms in the scientific community against such research. The most powerful norms in research are around describing the world as is, to be descriptive. If you are to follow normative practice, you advise human beings and organizations on how to be effective within the world as it exists. The idea of designing new or rare worlds is not rewarded significantly if one can judge from published research.

In Part I, I focus on organizational defenses which I believe are one of the most important barriers to learning. An organizational defense is a policy, practice, or action that prevents the participants (at any level of any organization) from experiencing embarrassment or threat, and at the same time, prevents them from discovering the causes of the embarrassment or threat. Organizational defenses (which include groups, intergroups, and interpersonal relationships) are therefore anti-learning and overprotective. In this part, I illustrate some of the most important origins of organizational defenses.

In Part II, I explore the barriers to organizational learning around several of the key managerial functions. I see each function such as managerial accounting and budgeting, strategy, and information systems as based upon explicit theories and methods as to how to design and implement each. For example, it is possible to specify how to produce an economic analysis of costs founded upon activity-based cost accounting theory and methods. The specifications are so explicit that if two individuals using the same data and methods arrive at different conclusions then it is possible to say that someone made an error. It is also possible to test this assertion by tracing backwards to find the error. Thus, activity-based cost accounting is designed to be as rigorous as possible. Its effective implementation requires what I call productive or rigorous reasoning.

There are two features of the rigor that, I suggest, are crucial. One, it makes as explicit as possible the causal reasoning that underlies its methodology. Causal reasoning is key in everyday life. As Shoham (1990, p. 214) states: "If causal reasoning is common in scientific thinking, it is downright dominant in everyday common sense thinking." The second feature of rigor is that it deals with causal reasoning by making its premises and inferences explicit and by subjecting its conclusions to continual tests in the world of practice. I call this productive reasoning.

Productive reasoning may seem obvious and taken for granted by scholars such as those who design activity-based cost accounting, strategy, information systems and other similar managerial functional disciplines. The point that I believe they often miss is that by designing in productive reasoning their methodologies require such reasoning in order to be implemented. How is that a problem?

Making the effective implementation of these disciplines dependent upon the use of productive reasoning becomes a problem when the advice and actions that they recommend are embarrassing or threatening. Under these conditions defensive reasoning is activated. The causal reasoning is not made explicit. The premises and inferences are often tacit. The tests of the conclusions tend to be nonexistent or self-sealing. The organizational defenses built to protect the defensive reasoning and actions help to assure that little learning will occur that questions the causal reasoning.

I do not mean to imply that the designers of theories and methodologies of accounting, strategy, and information systems are free from responsibility for some of the problems they face when their ideas are difficult to implement. Indeed, they would agree that there are gaps and inconsistencies in their theories and methods that should be closed and corrected. Errors due to those gaps are due to lack of knowledge. Like all scholars they are dedicated to reducing errors due to lack of knowledge.

I am suggesting that errors occur around the implementation processes and that they are by design (not ignorance). They are designed to protect the players from embarrassment or threat. Moreover, since most formal managerial theories or stewardship do not condone designed error, the players have to cover up such practices, and to really protect themselves, they cover up the cover-up.

In Part 111, I examine in more detail the human resources function. I especially examine experiential learning, organizational development and change practices. Practices like these are intended to reduce the barriers to organizational learning. I try to show that the ideas and practices in good currency around these human resources activities are much more counter-productive than has been realized, especially by the organizational development and managerial education professionals. Part IV focuses on how the ideas on conducting descriptive rigorous empirical research unintentionally reinforces the organizational defenses and defensive reasoning of practitioners. I try to illustrate how those of us who conduct research may have our own set of organizational (read community) intergroup and group defenses that are likely to reinforce the barriers to learning around issues that are embarrassing or threatening to us as well as to those that we study.

Reflecting on these ideas, I think it is fair to say that we are intentionally creating a world full of self-reinforcing, anti-learning processes that will overprotect the players so that it will be difficult to detect and correct difficult and embarrassing problems. Moreover, thanks to the organizational defensive routines - with their accompanying sense of helplessness, cynicism, and doubt about any change - the anti-learning and overprotective features will eventually be taken for granted. They will be viewed as necessary evils of organizations. For example, not only will limited learning capacity, quasi-resolution of conflict, and "sacrificing" be seen as core attributes of everyday life (with which I agree), but the descriptive theories that help us to see that will not be much help in learning how to change them.

These views are based on the assumption that social science should not only describe reality as accurately, comprehensively, and economically as possible, it should also pay attention to producing knowledge about virtual worlds that provide liberating alternatives. By liberating alternatives I mean organizations and societies that endow human beings with competencies to reverse and undo the self-fueling, anti-learning, overprotective processes that are a major focus of this book.

In making this statement, I am not asserting that human beings must accept these liberating alternatives, simply that scholars have some obligation to, at least, make them available. Underlying this assumption is that worlds that encourage the production of empirically testable knowledge, the enhancement of informed choice, and the strengthening of personal responsibility are worth designing and trying to implement. These basic values are not new. What is likely to be new is that we can help to create worlds where they are not rare but part of the practice in everyday life.

In most of the chapters, I present some ideas and short illustrations of the interventions conducted to create the rare conditions and integrate them in everyday life. Unfortunately, the most thorough study illustrating our progress was not available as this book went to press. Fortunately, I can now say that it will be available (Argyris, 1993).

References

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