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# LEARNING ORGANIZATIONS: PREREQUISITE FOR SUCCESSFUL TOURISM ORGANIZATIONS

Natasa Kraleva<sup>1</sup>

## **Abstract:**

Nowadays, each and every organization, including the tourism organizations should be learning organizations. The globalization and the competition affect the process of working of tourism organizations, where only the organizations which have knowledge, and are learning organizations can succeed. In a time of constant change, tourism organizations can have a competitive advantage only if they can do something or offer something different than their competitors. Many organizations in order to enable the learning process, should firstly undertake changes in the organization design, the organizational culture and the leadership style. The paper discusses the relevance of implementing the process of learning organizations as a concept for successful tourism organizations.

*Key words:* learning organizations, tourism organizations, knowledge, advantage.

## **1. INTRODUCTION**

The learning process is one of the foremost prerequisites for success of any organization. The concepts of organizational learning and learning organization in their core standpoint correlate the learning process with the organization's performance. The organizational learning is a process, whereas the learning organization is at the same time, a precondition and an outcome of that process (McGill and Slocum 1994). The learning organization is a relatively new concept based on the concept of organizational learning. Furthermore, the learning organization is a contemporary management approach. It defines how an organization should operate in the ever-changing business environment.

Organizational learning is a perpetual process of organizational change which implies innovation and improvement in manufacturing, services, customer care etc. This process happens as a result of new knowledge which the organization acquires constantly (Petkovic 2008). In addition to this, the concept of a learning organization tends to make changes in the behaviors of all the employees, which will cause change

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of the overall performance of the organization. These changes should basically transform the organization into an organization that operates at its optimum capacity.

The competitive advantage was and still is, in:

- the land and natural resources (18<sup>th</sup> century)
- the technology (19<sup>th</sup> century)
- the finance (20<sup>th</sup> century)
- the knowledge (21<sup>st</sup> century)

The process of globalization and the ever-present competition generate a situation in which the organizations which possess knowledge, and more importantly know how to manage the organizational knowledge, have advantage over their competitors (Hamel and Prahalad 1994, Slater and Narver 1995). Additionally, as Cerovic (2003) states, the ability of a company to learn is definitely the most valuable competitive advantage over its competition. Nowadays, an organization can create a competitive advantage only if it owns resources which provide: superior values for the consumer, are easily accessible, and can be re-used. The resources that an organization has are not crucial for gaining a competitive advantage. The organization's ability to use its resources in a way that is superior compared to its competitors, is what creates a competitive advantage (Hamel and Prahalad, 1994). Moreover, as Grant (1991) underlines, nowadays, an organization can have competitive advantage not because its competitors don't have something, but because it can do something better than the others.

The learning organization applies new, modern concept of continuous learning, which entails learning on one's own experience and experience of others. Moreover, organizational learning is a continuous process of creating and improving the organization's competence (Petkovic 2008). Additionally, the organizational learning focuses on the process of how the organization can learn best, so that the knowledge which it possesses can be effectively put into use, and the organization excels in its performance level. Nowadays the organizations are overwhelmed with information, quantity of information that is greater in the last thirty years compared to all the information in the previous 1000 years. It is important for any organization that tends to be a learning one to utilize the information in the best possible manner.

Even though, the term learning organization is well established and recognized, still there are academics that argue that the organizations are not capable of learning, unlike the individuals. On the other hand, as Janicijevic (2007, 229) points out, the organizations, like the individuals, are capable of learning. The organizations have "organizational knowledge", which entails all the skills, knowledge and competencies that the employees possess. What is crucial for the management of every company is to find ways to keep this knowledge within the company.

In order for an organization to adjust to the numerous external and internal changes, it must improve its products/services, processes and staff, transforming itself into a Total Quality Management (TQM) organization, it must accept radical changes directed towards eliminating activities which don't create value for the customers (Cerovic 2003, 50). Moreover, the process of organizational learning, gaining and using organizational knowledge is by all means, a process of organizational change. Every organizational change is certainly process of learning, but not every process of learning involves change (Janicijevic 2007, 229). Furthermore, the learning organization can easily undertake a process of organizational change since it can amend its behavior rather fast. By doing this, the organization introduces new

competencies, which enable the organization to survive and sustain in the ever-changing environment. The learning organization enables faster and more efficient response to the never-ending changes in the organization's environment. In addition to this, the learning organization entails each and every employee working together in finding a better solution for better customer satisfaction. The focus is on the customer's satisfaction and quality (Cerovic 2003).

The increased competition, globalization, and IT are all relatively new terms in the contemporary literature concerning the area of management. As the process of globalization intensifies, the organizational learning and the learning organization are becoming prerequisite for future success. The learning organization is becoming a very popular term in the fast-growing industries, such as tourism. Tourism organizations which are interested in enhancing their competitive advantage, efficiency and innovation, need to become learning organizations. The learning organization implies a synergy of its individuals' knowledge and competencies. Moreover, as Janicijevic (2007, 233) states "learning organization is an organizational model that has positive influence for development of capabilities for organizational learning. Furthermore, it is an appropriate framework for learning that encourages and directs the employees' endeavors for learning".

Nowadays, the only resource a tourism organization can use to gain a competitive advantage over its competitors is the human resource, or, more specifically its knowledge. The knowledge more than any other resource is what differentiates successful from not so successful organizations. Additionally, the learning tourism organization is a strategic decision. This is a concept which empowers everyone in the organization, regardless of their position to be involved in creating and disseminating knowledge, which then can be used to gain profit.

Learning organization is an organization that is continuously improving, that creates and advances the competences necessary for future success (Levinson and Asahi, 1995 quoted in Petkovic, 2008). In order for an organization to become a learning one, some conditions must be present. Firstly, the employees' willingness to undertake a risk. Organizational culture which provides an environment for information and knowledge to be shared and disseminated is also important. Additionally, the concept of learning organization can exist only if appropriate aspects are present. These aspects include suitable structure and fitting strategy. According to Cerovic (2003) the following characteristics, which support the individual and organizational learning, distinguish the learning organization from the traditional one: leadership, horizontal organizational structure, empowering employees, communicating information, strategy put together from all the employees and strong organizational culture.

One of the most significant characteristics of a learning organization is how they view their competitors. The learning organization considers its competition more like means for learning, rather than competition. Furthermore, a learning organization sees its competition as an advantage, rather than a threat.

The concept of organizational learning is in relation with the concept of intrapreneurship. Intrapreneurship entails collaboration within various working groups and teams in order to exchange knowledge and experience and to learn and improve competencies (Petkovic 2008). Intrapreneurship like organizational learning enforces employees' participation in the decision-making process and their active involvement in achieving the organizational objectives.

The tourism learning organization continuously creates attitudes, processes and procedures in order to deliver the best possible service to its clients. All these changes create new and improved capabilities and superior know-how. Furthermore, the tourism learning organization has a tendency to become the best, and distinguish itself from other tourism organizations. It aims at being the best at every aspect of its work.

## 2. SINGLE-LOOP AND DOUBLE-LOOP LEARNING

It is considered that all organizations are learning organizations but the thing that differentiates them is how they learn, more specifically how they adapt to the changes in their environment. Some organizations amend their models of behavior, whereas others discard old models of behavior and espouse new ones. Both, the former and the latter types of organizations operate based on their own previous experience, and experience of similar organizations (Petkovic 2008). There are two types of organizational learning, which are directly related to how the organization reacts to the changes in its environment, more specifically how it adapts to them.

The *single-loop learning* is a type of learning when the organization adjusts its behavior to the changes in its environment. This adjustment of the organization is a reactive response, rather than proactive, meaning that the changes within the organization occur after the changes outside of the organization occurred. Moreover, the changes based on the single-loop learning model are incremental. Organizations that practice single-loop learning are neither passive, nor innovative (Petkovic 2008). According to Argyris and Schon (1978, 2) organizational (N.K) learning involves detection and correction of error. When something goes wrong, this is usually a call for the employees to look for another strategy that will work within the present variables. Moreover, the pre-determined goals and values are operationalized rather than questioned. This explains the model of single-loop learning. When the error detected and corrected allows the organization to achieve its present objectives, then this error-and-correction process is single-loop learning (Smith 2001).

Another reaction for correction of error is to question the present variables themselves, method known as *double-loop learning*. Such learning may then lead to an alteration in the prevailing variables and, therefore, a change in the way in which the strategies are placed (Smith, 2001). Double-loop learning happens when an error is detected and corrected in ways that include alteration of the organization's underlying values, policies, objectives... Moreover, this method questions the underlying values, policies etc. Double-loop learning is a process which comprises of two stages: discarding the old and adopting new behavior, views, opinion, action etc. As a result of this, radical changes occur. This kind of learning is most often related to organizations that operate in fast-changing industries. Moreover, innovation and change are results of the process of double-loop learning (Petkovic 2008). Double-loop learning is necessary if the organizations are to make informed decisions in the ever-changing and often uncertain context (Argyris 1974, in Smith 2001). The organization's environment is crucial for the company's survival and success. In order to compare their performances, many companies benchmark. Therefore, the companies try to align themselves with the competition, which requires double-loop learning.

### 3. MODEL OF LEARNING ORGANIZATION

The management of the leading companies understands that their foremost task is to create context of learning. This context comprises of numerous organizational variables or so called factors of support or generic factors of learning. According to Petkovic (2008, 189) these factors include: team structure, distributed leadership, decentralized decision-making, innovative climate and culture, continuous learning etc.

The organizational design that supports learning organization has characteristics of an organic structure, rather than mechanistic. Organic structure enforces team work and employees' participation in the decision-making process. The mechanistic organizational structure administers the single-loop learning, whereas the organic structure enforces the double-loop learning. Furthermore, if the decision-making is centralized, this kind of organizational structure implies that the employees don't know what the whole picture of the organization looks like.

Distributed or disseminated leadership has a role of a change agent or advocate for new values (Petkovic 2008, 193). This means that initiatives can and should come from every employee.

Probably one of the most relevant generic factors is having an innovative organizational culture. Firstly, this type of culture implies that the employees should feel free to discuss and express their opinions regarding their work, to suggest new approaches and solutions. It is important for every organization to create an organizational culture, in which the employees will continuously learn, question and change their outlook, attitudes and approaches to the problems and situations that the organization encounters. Furthermore, lifelong learning and creativity should be encouraged.

### CONCLUSION

The learning organization applies new, modern concept of continuous learning, which entails learning on one's own experience and experience of others. Nowadays, the only resource a tourism organization can use to gain competitive advantage over its competitors is the human resource, or, more specifically its knowledge. The knowledge more than any other resource is what differentiates successful from the not so successful organizations. The learning organization is a concept which empowers everyone in the organization, regardless of their position to be involved in creating and disseminating knowledge, which then can be used to gain profit.

The tourism learning organization continuously creates attitudes, processes and procedures in order to deliver the best possible service to its clients. All these changes create new and improved capabilities and superior know-how. Furthermore, the tourism learning organization has a tendency to become the best, and distinguish itself from other tourism organizations. Tourism organizations which are interested in enhancing their competitive advantage, efficiency and innovation, need to become learning organizations.

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