

## IMPLICATIONS FOR PRACTITIONERS

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# Means to improve organizational learning capability

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In this special issue titled “Learning organization, organizational learning and innovation: new and critical perspectives,” we have combined papers that link learning organizations, organizational learning and innovation from new perspectives and discussed ways and means to improve organizational learning capability. In this regard, [Peschl \(2022\)](#) explored learning from the future as a new paradigm for integrating organizational learning and innovation and suggested strengthening absorptive capacity to stimulate organizational learning or, in other words, to learn from the emerging future and cocreate it. [Dominguez-Escrig, Mallén Broch, Chiva, & Lapiedra Alcamí \(2022\)](#) examined the role of authentic leadership in organizational performance by promoting organizational learning capability. [Acevedo & Diaz-Molina \(2022\)](#) examined the impact of knowledge management on the development of innovation culture in learning organizations in Chile as an emerging economy. [Lissillour & Rodriguez-Escobar \(2022\)](#) addressed the challenging process of organizational ambidexterity and examined how corporate universities can help in this process. [Achdiat, Mulyani, Azis, & Sukmadilaga \(2022\)](#) analyzed literature focused on the relationship between organizational learning culture and innovation. Special issue ends with a viewpoint by [Bogolyubov & Wijker \(2022\)](#) shedding more light on innovation in learning organizations.

### Learning from the future

We could easily conclude that all people and organizations learn, at least to some degree. Nevertheless, failures occur all the time. This means that a different approach may be necessary. This is especially true in modern conditions characterized by increased volatility, uncertainty, complexity and ambiguity (VUCA). Under these conditions, organizations struggle with their effectiveness, which is related to the question of how to innovate successfully so that the marketability of added value is high. It could be that a new set of capabilities is now needed (Schoemaker *et al.*, 2018), while organizations are still struggling with organizational learning.

It seems that most organizational learning in most organizations is simply reactive in nature (Farjoun, 2010). In other words, organizations perceive new information, learn, develop new knowledge and innovate and change based on that knowledge that has been known and become available to many. For this reason, we see many incremental, often

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cosmetic innovations that slightly modify or optimize existing features or functions and serve as organizational adaptations to the changing market or technological reality.

Not surprisingly, such adaptations based on incremental innovation entail many unethical practices and contribute to the economics of manipulation and deception (Akerlof & Shiller, 2015). Fear of the unknown and uncertainty, coupled with the desire for success and lavish compensation packages, drives many managers to produce and offer value that appears to offer some level of novelty, often disguised as a new design that looks appealing to customers, whereas the level of quality in terms of functionality and durability is highly questionable, leading to customer deception. However, customers quickly forget this as they are constantly on the insatiable search for something new, probably to fill other personal gaps.

Focusing on and using existing internal knowledge based on previous mental models, supported by a reactive learning culture, cannot sustain organizations under VUCA conditions if future development cannot be predicted or can only be predicted to a degree. It is therefore not surprising that we rarely see breakthrough concepts and innovations where organizations cocreate the future by shaping emerging knowledge while creating and exploiting new and hidden opportunities. However, true learning, whether at the individual or organizational level, is a social process in which new knowledge and information go through the collective process of sense-making, dialog, critical analysis and synthesis, followed by the integration of the new knowledge into new forms and value. To do this, organizations need a high capacity to observe, recognize, acquire and absorb new external knowledge, followed by an open mind and the ability to reflect, interpret, ask questions and act on the basis of knowledge, common sense and a shared vision about the future.

In short, innovation is a function of organizational learning capability, which consists of many variables and factors. Therefore, organizational learning capability depends on organizational absorptive capacity or the ability to acquire and absorb external knowledge (Sun and Anderson, 2010). More specifically, absorptive capacity consists of the following processes: acquisition and assimilation of external knowledge, its transformation and subsequent exploitation. In this way, organizations are able to explore and use knowledge simultaneously, which makes them inherently ambidextrous. In other words, new knowledge that enters and is absorbed by the organization can only lead to innovation if it is harnessed by transforming it into new value that is accepted by the market.

However, learning *per se* is not a guarantee of success. Paradoxically, it could lead to self-reinforcing routines, rigidity, inertia, organizational lock-in and paralysis (Van der Heijden, 2004) if the new knowledge is filtered through existing, low-functional mental models. The more important question is *what* should be learned. Could it be that organizations are learning *the wrong things* (Starbuck, 2017)? Making sense of and understanding information from the marketplace and internal sources are key. In this way, it is important to be able to make accurate predictions about how knowledge will evolve in the future and how it should best be implemented and used. This means that interpretations used to reinforce existing knowledge and assumptions may be fundamentally flawed and inadequate. The question then becomes, “How can we look at things differently?” or “How can we unlock new long-term development opportunities?”

The answer might lie in new processes and capabilities, as suggested by Peschl (2022). He suggests looking at future possibilities and opportunities by engaging in scenario planning. This is a useful tool in which future scenarios are developed by considering different opportunities and how they can develop and unfold. In this way, the scenarios that are developed can provide different perspectives on the future that can form the basis for further action, as well as dialog and learning. In this way, practitioners should abandon the

practice of predicting and controlling the present and future and accept the approach of “learning from the future” (Peschl, 2022) and actively shaping it. In this way, the organization and its members discover something latent that is still emerging or not yet realized, in short, it is “not yet.”

This change of perspective is actually nothing new. Whenever we see something, we imagine its potential. We make different objects out of different materials, we use *information* to bring *form in* something or *transform* it into something else. This process is based on the human quality of discovery and imagination. However, only those who are open to new ideas and open-minded are able to detect new, albeit weak, signals that could strengthen and mean something new and evolving. Only these people have the ability and willingness to explore alternative perspectives, reflect on them, engage in continuous sense making and reshape their mental models to create new value. This process is also the foundation of design thinking, and practitioners are encouraged to explore this technique further. It is based on the human perspective, where practitioners design the user profile, examine their needs and define them in a way that is specific but also open to interpretation as to how those needs might be met. In this process, however, many other human qualities are required, such as empathy, patience, humility, intuition and courage, to take a *leap into the unknown*. We should remember that our birth is just that – coming into the unknown world and making the best out of it based on our human qualities.

### **Role of authentic leadership in promoting organizational learning capability**

The role of leadership has been widely studied. It affects organizational performance by influencing organization, human resource management, innovation and change. It has been identified as one of the most important factors that foster innovation by creating an environment and working conditions that stimulate creative work (Lee *et al.*, 2020; Hughes, Lee, Tian, Newman, & Legood, 2018). Innovation is the result of the successful implementation of creative ideas. However, not every leadership style brings benefits. Many traditional leaders have lost sight of the ethical and responsible approach (Lyubovnikova, Legood, Turner, & Mamakouka, 2017), although they are efficient and productive. Therefore, attention has been drawn to values-based leadership styles such as the authentic leadership style, which could be more effective, ethical and responsible (Copeland, 2016) while having a positive impact on creativity (Xu, Zhao, Li, & Lin, 2017).

Authentic leadership has many positive effects on employees and the work environment (Walumbwa, Avolio, Gardner, Wernsing, & Peterson, 2008), some of which are:

- promotes a positive and ethical climate;
- promotes self-awareness;
- stimulates transparency in relationships;
- promotes positive self-development; and
- promotes communication, dialogue and participative decision-making.

Authentic leaders also have certain personal characteristics (Van Dierendonck & Nuijten, 2011). They are not afraid to show their weaknesses and limitations, they express their feelings freely and openly, they are sensitive to what is happening around them and they are not afraid to show others their true self. For this reason, this leadership style is primarily based on values (Gardner, Coglisier, Davis, & Dickens, 2011) and has a strong ethical perspective. This is especially important in light of numerous business scandals and bad practices that have contributed to the poor reputation of many managers and companies. Authentic leadership can be a welcome solution to this problem. Not surprisingly, it is often

associated with ethical and transformational leadership, even though these styles differ slightly (Alvesson & Einola, 2019). However, ethical and authentic leadership share their propensity for integrity, morality, accountability and transparency (Ribeiro, Duarte, & Fidalgo, 2020).

The relationship between authentic leadership and organizational learning capability is particularly important and interesting. Organizational learning capability refers to management and organizational characteristics that enable and promote organizational learning (Chiva, Alegre, & Lapiedra, 2007). Organizational learning capability improves organizational performance by increasing sales and revenue growth and customer loyalty and thus profitability and return on investment (Mallén, Chiva, Alegre, & Guinot, 2015; Bhatnagar, 2006). Chiva et al. (2007) found that interaction with the environment, risk-taking, experimentation, dialog and participative decision-making enhance learning. These behaviors are consistent with authentic leadership characteristics.

Authentic leaders communicate openly with the internal (employees) and external environment (partners and other stakeholders), listen patiently to others, do not withhold information, foster close relationships, create a positive environment where everyone feels safe to take risks, think unconventionally, share their views, propose new ideas and share and exchange them with others (Xu et al., 2017; Banks, McCauley, Gardner, & Guler, 2016). In such a work environment, innovation is more likely because employees can feel safe to take risks, experiment, fail and learn from mistakes. Transparency around ideas and information, and the example of an authentic leader who is open about weaknesses and vulnerabilities, shows employees that they can follow their lead and show their true selves while working creatively to achieve set goals. Such an environment can be more emotionally stable and balanced, allowing employees to show and share frustrations while receiving support and help from others and the leader. Conflict is also less likely to occur in such an environment and is resolved by developing integrative solutions.

In this issue, Domínguez-Escrig et al. (2022) confirmed that authentic leadership has a positive impact on organizational learning capability and that organizational learning capability has a positive impact on innovation. However, they also found that organizational learning capability stimulates the effect of authentic leadership on innovation success, that is, serves as a mediator. Practitioners should therefore familiarize themselves with this leadership style and implement it as much as possible in their practice. This should not be too difficult, however, as the characteristics of this leadership style represent natural human behavior. However, only strong people who are not indoctrinated by individualistic tendencies can be expected to show their vulnerable side and be authentic.

Practitioners should also be aware that this leadership style has been discredited by some who have claimed that it is just another management fad that lacks credibility. However, research shows that the relationship between leaders and followers characterized by openness, free expression of emotions, caring for the collective, sharing of ideas and knowledge and encouragement of risk-taking and experimentation fosters a good work environment, creativity, innovation and overall performance. Practitioners, however, could easily fall into the authenticity trap because everyone's behavior could be described as *authentic*. Therefore, there is more room for researchers to determine and define different degrees of authenticity (Gardner et al., 2011) and offer more guidance for practitioners.

### **Innovative culture in learning organizations**

Learning organizations thrive on experimentation, individual and team learning and the sharing and implementation of knowledge in the value creation process. Knowledge management is an important part of learning organizations. Learning organizations develop

by engaging in organizational learning based on knowledge management. Knowledge management refers to the process of identifying, acquiring, sharing, distributing, using and evaluating knowledge. Without knowledge and specific know-how, organizational resources cannot be transformed into new value creation. In this way, the process of knowledge management contributes to the development of the organization's learning capability, which in turn promotes learning at all levels.

However, both the learning and knowledge management processes should be supported by a culture, or more precisely, a learning culture. Learning organizations also benefit from an innovative culture that encourages new ways of thinking and working, which can lead to new discoveries in the form of innovations of various kinds by all employees (Ghasemzadeh *et al.*, 2019). Such a culture also fosters employee empowerment and an environment of collaboration, mutual support, trust and dialog. Although it is clear that an innovative learning culture promotes learning and knowledge management, the question of whether knowledge management also promotes the development of an innovative culture remained unclear.

In this context, [Acevedo & Diaz-Molina \(2022\)](#) investigated whether and to what extent knowledge management processes and practices influence the development of an innovative culture. For this purpose, they used a sample of Chilean companies. Chile is an emerging economy and the most innovative country in the region. Latin American companies are generally known to focus on knowledge exploitation, imitation and acquisition of existing technologies rather than on their own research and development activities, which are risky and resource-intensive. For this reason, this paper may be of particular interest to practitioners in these countries who wish to promote knowledge management, as well as innovation, within their organizations.

Indeed, [Acevedo & Diaz-Molina \(2022\)](#) found that knowledge management enables the routinization of learning practices and thus stimulates the culture of innovation. To this end, they studied knowledge management as a process consisting of three dimensions: knowledge acquisition, knowledge dissemination, and responsiveness to knowledge ([Darroch, 2003](#)). More specifically, [Acevedo & Diaz-Molina \(2022\)](#) examined whether external and internal knowledge acquisition fosters creativity and discovery skills; whether greater dissemination of knowledge within levels and departments fosters an innovative culture; and whether more responsive and agile organizations are more likely to innovate.

Practitioners might examine their own knowledge management processes by identifying the following:

- (1) Knowledge acquisition
  - Where do we look for new knowledge?
  - What sources do we use?
  - What are our relationships with stakeholders such as customers, competitors, and suppliers?
- (2) Knowledge dissemination
  - Do we use socialization to share knowledge?
  - Do we combine it with existing knowledge?
  - Do we share it with our stakeholders?
- (3) Responsiveness to knowledge
  - Do we respond to different types of knowledge?
  - Can we access it easily?
  - Are we able to use new knowledge quickly?

When organizations pay attention to these processes, they are more likely to develop an innovative culture that fosters dialog, creativity and innovation. In this way, knowledge management can enhance the organization's ability to learn. Practitioners, however, would likely find that an innovative culture further enhances the development of knowledge management activities.

### **Organizational ambidexterity and corporate universities**

Given the dynamics and challenges of the environment, many organizations strive to be ambidextrous so that they can excel both in leveraging existing knowledge and in exploring new knowledge that could help them remain competitive. In this way, ambidexterity is a dynamic organizational capability that contributes not only to the development and maintenance of organizational capabilities, leading to greater productivity, efficiency and execution, but also to experimentation, learning and innovation, leading to flexibility and adaptability (O'Reilly & Tushman, 2008; March, 1991). Capabilities can be understood as a set of management actions (or routines) that enable the organization to identify opportunities and threats and reconfigure assets (people, organizational structures and resources) to adapt to them (O'Reilly & Tushman, 2008).

However, establishing ambidexterity as a dynamic organizational capability is difficult because it may imply a separation of exploitation and exploration activities (Lavie, Stettner, & Tushman, 2010). However, true organizational ambidexterity requires that both processes are concurrent and balanced to achieve a synergistic effect. This is very difficult to achieve in practice, however, because exploitation of existing knowledge requires a more coherent structure, stable processes and systems, whereas exploration requires a flatter, usually team- and network-based organization, and looser processes and systems that allow for dialog and experimentation. However, the link between these processes could be very important, as exploitation could also identify how existing knowledge can be improved and expanded, paving the way for further knowledge exploration.

Lissillour & Rodriguez-Escobar (2022) proposed corporate universities as a link between knowledge exploitation and knowledge exploration that could help companies successfully reconfigure their resources to achieve both goals. The corporate university could be defined as an institution and strategic tool that assists the parent organization in fulfilling its mission by conducting activities that promote both individual and organizational learning, knowledge and wisdom (Allen, 2002, p. 3). Lissillour and Rodriguez-Escobar (2022) point out its particular importance for technology-driven organizations engaged in continuous knowledge exploration while leveraging existing knowledge and core competencies.

Corporate universities can have many goals that change as the company and parent company develop. Their main role is to provide learning programs for employees to share existing knowledge (Fresina, 1997). However, their role may also evolve and expand to focus on knowledge sharing processes, developing strategically relevant knowledge and improving corporate culture (Jansink, Kwakman, & Streumer, 2005). To accomplish these complex tasks, corporate universities should establish and maintain knowledge management systems and processes supported by developed networks that link multiple stakeholders to enable individual and collective learning and knowledge transfer (Prince & Stewart, 2002).

Lissillour and Rodriguez-Escobar (2022) noted in their case study that the corporate university served as a key strategic asset of the company and a strong driver of change. It focused on developing and sharing operational knowledge relevant to the value creation process. It also provided training resources to drive quality improvements and innovation by enhancing employee capabilities. The parent company recognized its importance and

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supported it with additional funding to strengthen its infrastructure. This helped develop documentation to serve as a knowledge management system. This allowed the corporate university to adapt and improve its structure and capabilities to meet the corporate strategy. As it grew in importance, it was even given more opportunities to make its own decisions in support of the parent company. It also contributed to the internationalization of the company by offering training programs online and spreading the corporate values.

### How can organizational culture help promote innovation?

Learning organizations should be characterized by innovations ranging from output innovations (products and services) to innovations in work practices and processes. Knowledge acquired by individuals and teams in learning organizations is used to improve organizational systems, processes, structures, policies, rules and practices, that is, organizational routines. Innovation also refers to the processes by which new information and knowledge are acquired, interpreted, shared and used. [Achdiat et al. \(2022\)](#) used a literature review to examine how organizational culture contributes to this process.

Organizational learning can be understood as beliefs shared by organizational members that are based on deeply rooted organizational assumptions and guide the efforts of organizational members in dealing with internal and external phenomena. For this reason, organizational culture is an inherent part of the organization that cannot be changed overnight. An innovative and learning organizational culture is particularly focused on promoting learning, knowledge sharing and change that leads to improvement. Such a culture promotes open-mindedness and “out-of-the-box” thinking, systems thinking and critical thinking, teamwork and collaboration even across organizational boundaries to include external stakeholders, communication and dialog without fear, flexibility, inclusiveness and diversity of thinking, responsible risk-taking, experimentation and learning from mistakes and democratic leadership based on empowerment, trust and respect. In this way, organizational learning culture can support organizational learning capability.

[Bogolyubov & Wijker \(2022\)](#) shed more light on innovation in firms in their industry perspective paper. Although we often focus on learning and knowledge, little attention is paid to personal insight, “aha” or “eureka” moments and so-called “blue skies thinking.” When we enter other brain frequencies, such as alpha waves, we can gain glimpses of ideas and insights that represent new solutions to problems previously defined as difficult or “wicked.” These ideas are based on existing knowledge, especially when it comes to science and physical laws, but they come as a novel combination or discovery of something that could serve as a systems leverage in solving the problem.

We should also keep in mind that innovation does not have to mean adding *more* to existing value, it could mean providing *less*. The authors remind us of Antoine de Saint-Exupéry, who once said, “Perfection is achieved, not when there is nothing more to add, but when there is nothing left to take away.” So the reductionist approach can improve not only functionality but also design and esthetics. For this reason, many innovators use the *keep it short and simple* or *keep it simple, stupid* method. So innovation also means making things simple, elegant and smooth. However, this result is not easy to achieve. It takes people with great personal mastery who can engage in systems thinking, develop a shared vision and stick to it. However, there are not many people who are able to engage in systems thinking, as the authors have also found. For this reason, the ideas of the learning organization philosophy, especially the learning disciplines, deserve a special place in organizational learning programs.

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