

THE GLOBAL LEARNING ORGANIZATION

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Foreword

Corporations are doomed to failure in today's world unless they are able to learn on an organizationwide basis and to effectively globalize all operations. That is the essential message of *The Global Learning Organization*.

Individual learning is no longer adequate; we must also better understand how teams learn and how to create infrastructures and networks to share learning experiences between teams within organizations and across organizations. Business leaders must become change agents who facilitate adaptation in an era of rapidly changing markets and technology and of exploding quantities and sources of new information.

We are moving from the age of producing to an age of thinking organizations, from manufacturing to mento-facturing, where the results come more from the mind (mento) than from the hands (manu). The future will be dominated by "know-how" organizations—ones that require knowledge workers. At the same time, employees are moving from an era where repetitive, mechanical skills were sufficient to an era where continuous learning and quality improvement will be the norm. Many American business leaders, some of them quoted in this book, have already observed that total quality will be an absolutely necessary but not sufficient condition for survival.

Also, economist Lester Thurow has noted that "Wealth is created by the capitalization of innovation"—by linking new discoveries to customer wants and needs. Accelerating the rate of individual and organizational learning is key to discovering new and better solutions and linking them to customer satisfaction. Only those organizations with highly skilled workers that continuously hone their knowledge and capabilities will succeed in a dynamically competitive global market.

As organizations change from high volume to high-value businesses, they must reach across the globe for new discoveries and for new markets and customers. Few companies will thrive on a domestic scale alone. And few companies will be self-sufficient in their ability to compete. Virtual corporations and global alliances that fuse the

technologies and competencies of their partners into imaginative new solutions will be tied together by giant networks of computers, facsimile machines and video conferencing stations. This possibility is real today. Its realization is limited only by our imagination and vision.

In today's business environment, global learning organizations hold significant competitive advantages over other organizations. They are learning how to harness the power of globalization while accelerating the rate of learning at all levels—individual, teams, organization, and societal. This creates a powerful combination where the whole is truly much greater than the sum of its parts. These are the organizations that, as the authors put it, will "blow the competition away."

Ray Stata
Chairman of the Board
Chief Executive Officer
Analog Devices

Preface

The world of business has now entered the knowledge era, where knowledge is power, and learning rapidly and competently is seen as the preeminent strategy for global success. We have also entered the global age, where technology, travel, and trade have generated the global village.

"How can we learn faster and smarter in the rapidly changing global environment?" is the question on the lips of more and more people, especially corporate leaders attempting to survive and thrive in a highly competitive global marketplace. Ever more often, their answer to that question is what this book is all about: "Become a global learning organization!"

Read what global leaders are now saying about learning organizations and global learning:

- Walter Wriston, former CEO of Citibank, remarks that the organization that figures out how to harness the collective genius of its people is "going to blow the competition away."

- Harrison Owen, author of *Riding the Tiger*, writes that "there was a time when the prime business of business was to make a profit and a product. There is now a *prior, prime business*, which is to become an effective learning organization. Not that profit and product are not longer important, but without continual learning, they will no longer be possible. Hence the strange thought: the business of business is learning—and all else will follow" (p. 1).

- George Por declares that the "synergistic impact of global economic, technological, social, and environmental trends is creating an ever-changing business environment, in which the survival of the fittest is becoming the survival of the *fittest-to-learn*" (p. 1).

The critical need of organizationwide learning is even more urgent in global corporations. Kevin Barham and Marion Devine predict success only for those organizations that have developed the ability to "learn across borders. The future is not just about global competition, but about global learning" (p. 37).

The overwhelming impact of globalization and almost limitless potential of learning organizations must be viewed in tandem, and their

powerful forces must be brought together by corporations seeking to survive the tremendous social and economic forces of the new era. This book carefully considers the concepts of both globalization and learning organizations and identifies how their potentials can be synergized. We wrote it to be useful to those involved with any aspect of the global business: a practical instead of academically oriented or theoretical book. Part of the problem is that people who are, or want to be, intimately involved with global business are often unaware of the complexity therein. Our challenge was to provide enough background to help you understand the problem. Although we report what others have written and said, this is surely not a collection of warmed-over research reports or, worse yet, other-worldly concepts that bear no relationship to the real world of work.

GLOBALIZATION

Globalization has become a reality within the past few years. The "global village" is an old idea that received only lip service for many years. Today, the world has truly become a global village. We watch CNN; we speak English; we wear denims; we dance the same dances; we eat pizzas and tacos; and we travel over 2 billion miles a year visiting each other's village.

The 1992 U.S. presidential election focused attention on the importance of globalization. Bill Clinton spoke out early. He told Bill Moyers, "The lesson of the global economy is that we have to change" ("48 Hours," July 8, 1992). Independent candidate Ross Perot was even more specific about the importance of global business competition. Today, even politicians recognize that the importance of business competitiveness is not a domestic issue. U.S. presidential candidates rarely "surprise" the population with unfamiliar notions. Nor do they force ideas against the general will of the people. More often they reflect to the best of their ability to read polls, what most people believe to be true. On the other hand, when politicians make statements, they sometimes awaken notions that might not have been in the forefront of everyone's mind. Today, Americans clearly value a global perspective.

In the business community, corporations are also becoming more globally integrated and linked. Corporations operate throughout the world, as though it is their local village. Coca-Cola and Xerox are now being joined by Canon, Pepsi, and thousands of other corporations with a global presence and recognition in their corporate strategic goals and planning. Medium-sized organizations are beginning to

recognize that the global marketplace is worthy of their attention. They know that it is important for their survival. Small firms are quickly becoming global competitors through alliances and networks. Technology, trade, financial accessibility, education, and a host of other resources have made globalization the single most powerful force of the past 20 years.

LEARNING ORGANIZATIONS

Simultaneously, the concept of the learning organization has emerged. Peter Senge popularized the term in his best-seller *The Fifth Discipline*. Now it is in widespread use in management and training development circles. The "organization that learns" idea has sparked a burst of interest and energy around which individuals and organizations are beginning to solidify. Already a trend, learning organizations will be one of the hottest topics of the 1990s for managers and executives. Jumbo organizations such as GE and Motorola are striving to remold themselves in the learning organization paradigm. The giants are not alone. Much smaller organizations such as AutoMind and Caterair have also joined in the effort.

Essentially, learning organizations struggle to improve continuously. Senge notes, "Work must become a continual process of learning how to create our future rather than react to our past."

There is a direct link between quality management (with its commitment to improve continuously), employee empowerment, and learning organizations. Ford, for example, has established an impressive program to empower middle managers as a part of planned cultural change involving cross-functional learning. 3M has merged its corporate human resource departments and renamed the group the "organization learning services group."

A Marysville, Ohio, middle management employee of Honda exemplified the spirit that characterizes learning organizations. He said, "The Honda philosophy is a way of life. It's characterized by closeness, communication, and frankness at all levels. Honda employs thinking people, creative people. We want people to sound off."

Proof of the burgeoning interest includes many articles and conferences focusing on the topic. An infrastructure to support corporate efforts is also emerging. The American Society for Training and Development formed a Learning Organizations Network. George Washington University created its Academy for Applied Research in Organizational Learning, and Vanderbilt University is also considering a learning organization-focused center. There is no question whether

the learning organizations concept has caught hold in the United States.

GLOBAL LEARNING ORGANIZATIONS

Tapping into the forces of both globalization and learning organizations is a process and strategy that has barely begun. Few organizations fully understand either of these forces, but even fewer can effectively implement and activate both of them in a synergistic, holistic way. The complexity of building a learning organization that can be effective in the global environment calls for capabilities in many disciplines, such as organizational dynamics, cultural sensitivities, technologies competence, interpersonal skills, communication excellence, and global economic intelligence.

Overseas failures have been plentiful. Although there is no direct measurement of the cost of global business failure, we have a related figure. The direct costs to return a mid-level executive from a foreign assignment failure can be high. Robert Kohls estimates that the total cost of returning a mid- to upper-level American executive and his or her family home early as anywhere from \$150,000 to \$250,000.

Managing across borders calls for the organization to learn across borders. Some companies have already begun their transformation to the global learning organization, leaving the cocoon of the past to become a butterfly of the future. They are beginning to learn across oceans, across cultures, across the organization, and across the hall.

The stories of their struggles and their successes are told in this book.

GLOBAL LEARNING ORGANIZATION ENABLERS NEEDED

As companies prepare to compete globally, the smart individuals and organizations expand their activities to provide support by looking for pertinent information on the global learning organizations. They would like to benchmark their efforts against other successful global learning organizations. Unfortunately, there are too few stories to be told of successful global learning organizations. Too few know how to transform themselves into global learning successes. It is with this urgency and focus in mind that we have written this book. It is for anyone who wants his or her organization to survive in the 21st cen-

tury and who cares about the people with whom he or she works and serves.

This book can help executives and managers who have responsibility for any aspect of global activity. It will provide valuable information on how to transform your organization into a global learning organization with real-world guidelines and best practices of leading global corporations.

Consultants and HRD practitioners within organizations will find that the book provides a beneficial model and guidelines for aiding organizations to become global learning organizations.

Students studying international business or HRD will be able to gain a perspective on what will be the most critical organizational dynamic employed by corporations of the 21st century.

OVERVIEW

The book is divided into four parts. Together they provide a comprehensive look at the important issues facing organizations that want to become global learning organizations. The part titles are as follows:

- Overview of the Global Learning Organization
- Becoming a Global Learning Organization
- Exemplary Global Learning Organizations
- The Learning Horizon

Part I—Overview of the Global Learning Organization

Part I describes the nine forces compelling organizations to change their existing ways of thinking and operating. We also examine the need for becoming a global learning organization and the key principles of learning, training, and knowledge. Chapters 4 and 5 present the 11 organizational and six global components of the Global Learning Organization Model. In addition, specific best practices of various global corporations are highlighted under each component of the model.

Part II—Becoming a Global Learning Organization

Part II identifies the major obstacles to and challenges of becoming a global learning organization. It describes the stages of development for globalization and learning organizations, provides specific strate-

gies for building a global learning organization, and explores the particular skills and attributes of leaders and learners in global learning organizations.

Part III—Exemplary Global Learning Organizations

Part III examines 16 of the top global learning organizations from around the world that actively and successfully plan and execute learning organization strategies. They are presented with particular regard to their strengths relative to the Global Learning Organization Model. The global corporations included in this part are Analog Devices, ABB, AutoMind, Caterair International, Carvajal, Corning, GE, Honda, Medtronic, Motorola, PPG, Royal Bank of Canada, Samsung, Singapore Airlines, Tatung, and Xerox.

Part IV—The Learning Horizon

Part IV is based on the insights gained from companies on the leading edge of global learning organization practice today. We examine some possibilities for future structuring and operations of global learning organizations. This provides a vision of the transfigurative and interactive learning organization of the future. It identifies challenges and the effort needed to continue the evolution of the global learning organization.

LET'S GET STARTED

The subject of the global learning organization is a challenging, but also complex, still-evolving concept and practice. Our interactions with people and organizations new to the concepts of learning organizations and globalization show that the subject can be overwhelming. We have done our best here to demystify the topic, and to make it as interesting and as powerful as it has proven to be for the successful global corporations.

Global learning organizations are the key not only to organizational transformation and success but also to human development and fulfillment. We hope that you will enjoy the exciting ride toward the corporation of the future—the global learning organization.

In the learning organizations of today and tomorrow, global thinking and global competencies dominate as critical survival techniques. Now we invite you to move to the new way of doing and supporting

international business. The first step is to come up to speed on the concept and practice. Chapter 1, The Need for Learning Organizations in the Global Workplace, is the ticket. Let's get started!

Michael Marquardt
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