

# **LEARNING ORGANIZATION: TOWARD INOVATIVE ORGANIZATIONAL MANAGEMENT OF HIGHER EDUCATION TO FACE THE CHANGE**

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**G**overnment policy which seems to push higher education institutions in Indonesia to be able to compete with other institutions in the global level made numbers of universities reformulate their visions and internal policies to become high ranked university. This paper aimed at discussing the strategies which could be formulated by higher education institution to face the global changes and competition atmosphere in the academic world as well as market demand. Using the concept of learning organization, this paper identified internal and external challenges faced by higher education institutions in Indonesia which need to be dealt with. This paper concluded that to become a learning organization, higher education institution should firstly identify its own antecedent and moderator so that the outcome produced make the institutions able to compete in the national and international level. The Antecedent of learning organization covers seven elements which lead to the internal side of the institutions, they are: values, motivation, individual learning, personal vision, training and development, organizational commitment, dan group commitment. On the other side, the moderator toward learning organization lies in the institution's policies for its human resource which give space for academic and career development for its members.

**Keywords:** Higher education institution, learning organization, competition, changes.

## **INTRODUCTION**

Higher education institution is a public organization whose core business is more on the noble task of providing education for all citizens rather than on managing profit and financially profit orientation. Organizational development is mostly done in the organization of business and profit, while its application is often forgotten in public organizations such as Higher Education. It is because Higher Education's

stakeholders were more complex than other institutions. Business companies' stakeholders are dominated by external stakeholders, whereas Higher Education institutions' stakeholders comprises of external and internal stakeholders as well as historical subculture that exists in the organization (administration, faculty and staff) (Schein, 1996). Lack of cooperation between elements in this subculture may hamper the learning process in the organization.

The concept of a learning organization (LO) is quite interesting when it is linked to changes in the management of higher education institutions because the process of learning and science development are "everyday foods" of educational institutions. In addition, in the face of globalization, which very possible to enables increasing number of foreign universities to open branches in Indonesia makes us to stay awake to open our eyes to develop innovations in order to improve higher education graduates of Indonesia to win the competition. Similar to other institutions, higher education institutions are also facing many challenges in dealing with economic policies and trade like Generat Agreement on Tarrifs and Trade (GATT) which will be implemented among Asian Economic Community. Higher education institution need to increase its competitive management, then Indonesian citizens who were graduated from overseas university which will tend to pursue their residence to their overseas countries from where they graduated and where they works. The phenomenon of "brain-drain" will increasingly cause the university become fragile of losing its potential human resources. To this extent, smart management is become a crucial need to maintain the institution by building cross-sectoral alliances, establish cooperation with industry and other institutions to meet the "market demand".

Changes in higher education institution are influenced by internal and external factors. Some external factors, among others, are: globalization are demanding for the fulfillment of the quality of graduates who have a global competence, the culture of virtualization is necessary since many processes, transactions, learning and communication is now done virtually. This virtual culture influence the attitudes and culture of the organization, changes in demographic factors, social, economic, legal, technological and other (Kreitner, 2008). Facing external factors, institutions need to manage change and fight for continuous improvement.

Changes in the management of the organization need to refer to the development of innovation. Innovation can provide flexibility that allows institutions better prepared to adapt to an ever changing environment (White and Glickman, 2007). Furthermore Susan C. White

mentioned that the institution of higher education is facing the challenges of the contemporary world which consists of more in-depth quality testing, the use of technology which is considered new for certain community, how to reach learners who have a deficiency, as well as curriculum innovation. The challenges over those innovations have to be dealt with by including it in the business process of the organization of a competitive higher education institution. To this extent, the institution of higher education have to transform itself into a learning organization. This article will discuss about the concept of a learning organization and how it is applied in higher education institutions.

## **DISCUSSION**

### **Learning Organization**

Learning organization emerged in 1990s as a proactive and radical responses toward the problems of human resources renewable toward competition (Amores et.al., 2005). As has been mentioned by Peter Senge in his book *the Fifth Discipline*, learning organization is a place:

*” where people continually expand their capacity to create the result they truly desire, where new and expansive pattern of thinking are nurtured, where collective aspiration is set free, and where people are continually learning how to learn together”* (Garvin, 2000).

There are five things that are of importance in the concept of a learning organization, namely: Systematic problem solving (using the scientific method, based on the data, and use statistical tools to organize the data and draw conclusions), experimentation with the use of new approaches, learn from individual experience and past histories, learn from the experiences and best practices of others, and transferring knowledge quickly and efficiently throughout the organization.

In higher education institutions, the five models presented by Peter Senge above can be categorized in three levels: individual (personal mastery), group (team learning) and organizational level (shared vision) (Bui and Baruch, 2010). More detail, Bui and Baruch delivered five disciplines which is adopted from Peter Senge, namely:

1. Personal Mastery. According to Friedson, academics and scientists can be categorized in the ideal model of professionalism (Friedson, 1994), academic qualifications have a lot of personal mastery that have a clear career path direction.
2. Mental models. Mental development model is a driving force that underlies the implementation of the teaching and learning

process. The most significant challenges in mental models is changing the paradigm of "teacher-centered" to "student-centered".

3. Team learning. Sense became the team in learning is a challenge to the university, as most academic staff to work independently and do not depend on structural leader.
4. The next Discipline is a shared vision. Universities should aim to move the hearts and minds of all his staff, for developing policies, procedures and realize the ideal university should be supported by understanding the ideal of academic staff.
5. The last discipline whichh is more indepth is system thinking. Although it is found that system thinking is not included in the component of planning in higher education institution (Galbraith, 1999) there are number of academicians who applied the concept in higher education institutions.

It can be concluded that to become a learning organization, we need to have a change in the culture of the organization in relation to its long period commitment (Garvin, 2000). *System thinking* will help academic staff and administratif one to better understand dinamic relation among components in the education system. Besides that there are tendencies in the higher education institutions to develop "interdisciplinary courses" to adjust to the need and preferences of prospective students (Stengers et.al, 2000). This *interdisciplinary* trend help enabling human resources in higher educations institutions to build team work and team learning, and to emphasise *team learning*, *knowledge sharing*, and *system thinking* to build culture which is fiendly to face change (An and Reigeluth, 2005, p. 37).

On the other hand, Watkins and Marsick (1999) stated seven other indicators which are slightly different with the above mentioned indicators, they are: creating oportunities for continuous learning, encourage the staff to ask questions and dialogue, encourage people to collaboration and team learning, creating a system to absorb and share learning, empowering members of the organization towards a collective vision, linking the organization with its environment, and providing strategic leadership for learning.

### **Implementing Learning Organization in Higher Education Insitution**

In some institutions, the concept of learning organization are difficult to implement, for example the experience in State Islamic University Yogyakarta, there are still environment which is not give space to dialogue, creativity and continuous improvement. The environments are interlinked with the culture and policy on higher

education in Indonesia. According to Bui and Baruch (2010) to implement learning organization in education institution requires three indicators, they are to identify *antecedent*, *moderator* and *outcome*.

Those which are included in the antecedent of the Learning Organizations are: 1). personal values that will affect personal mastery and shared vision. Academics are usually very individualistic, the courage to develop the science is very important for academics. 2). motivation. 3). individual learning. Academics are usually highly qualified in terms of formal education, but most of the post-degree activities done informally, for example through conferences, working with students, independent study and the peer element. 4). personal vision. 5). training and development as an antecedent of personal mastery and team learning. Most universities will support its staff to participate in various development and training programs. 6). the antecedent of organizational commitment in mental models. 7). the commitment of the group. 8). leadership is an antecedent in the mental models, team learning, shared vision and systems thinking. 9). the organizational culture. The Organizational culture of the Higher Education institution is very different compared to other organizations. At least four models of the organizational culture of higher education is collegial culture, managerial, developmental and negotiation. And the 10). antecedent is competence.

Meanwhile Bui and Baruch (2010) noted that the outcomes in the learning organization might be achieved by including: performance and successful individual, self-efficacy (an individual with a background of education tend to have high self-efficacy and self confidence), work-life balance, sharing knowledge (with the application of SCL / Student Centered Learning) and the use of advanced technology.

Moderators toward the implementation of learning organization are human resource policy implemented by the university support personal mastery and system thinking, the university hold a significant role in the policy of human resource management, and investing in staff development.

### **From Total Quality Management to Learning Organization**

The author deems it necessary to convey a bit of Total Quality Management (TQM) in these discussions, because TQM is a new theory which emphasizes on customer satisfaction, quality, both managers and employees are equally involved in the management process, as well as process-oriented. The concept of TQM has been widely applied in various organizations, especially to ensure customer satisfaction and quality assurance institutions. In some Universities in Indonesia the

Concept of TQM is widely applied as the basis for their quality management standards. However, in conditions of society which are constantly changing and very dynamic, strategy and appropriate vision are needed to develop the organization of higher education.

Amores et.al (2005) wrote the necessity of renewal strategy, namely the transition from TQM to the Learning Organization. Below is a table of the differences and similarities between TQM with LO:

Table 1. Comparative analysis between TQM and Learning Organization (adopted from Amores et. al, 2005)

Subsystems	Basic Variables	TQM Features	LO Features
	Time Perspective	Medium/Long term	Long term
	Level of analysis	Group and organization	Individual, group, organization and community
Governance	Empowerment	Oriented to improvement of costumer service	Oriented to stimulation of learning at all levels
	Decision-making focus	Tending toward perfect rationality	Limited rationality
	Innovation	Continuous and incremental changes	Continuous and radical changes Experimentation
	Objectives	Priority given to efficiency	Priority given to effectiveness
	Orientation of the culture	People/ employees as a resource	People/employee as individual
	Content of culture	Professional development	Personal and professional development
Goals and values	Origin of the shared vision	Provided by a leader	Not necessarily provided by a leader
	Content of the shared vision	Specific, and oriented towards quality in a general sense (multiple dimensions of quality). Achievement of excellence	Wide vision, and focused on learning aimed at developing the potential of individuals, of the organization, and of the community
	Styles of	Implicit and	Explicit and

	Learning	adaptive (single-loop learning)	generative (double-loop/deuteron learning)
	Transfer of Knowledge	Exploitation of professional knowledge	Combines exploitation with exploration
Psychosocial	Process associated with learning	Intuition (expert), Interpretation (specialist), Integration (formal), Institutionalization	Intuition (enterprising), interpretation (generalist), integration (formal and informal), institutionalization
	Consideration of mental models	Implicit	Explicit, at the individual and group levels
	Type of structure linking mechanism	Organic expert coordination	Organic loose coordination: mutual trust
Structural	Team working	Improvement teams and quality circles	Learning circles
	Cause-effect analysis	Static and more effective at the operational level	Dynamic and more effective at the strategic and tactical levels
	Focus of anticipation of customer needs	Explicit	Implicit
Operational	Critical techniques	Quantitative, analytical, positive	Ethnographic, 'story telling', paradigms, dialogue
	Analysis and diagnosis	Emphasis on retrospective approach (measurement, self monitoring, benchmarking)	Combine retrospective and prospective approaches (images, metaphors, vision). Emphasis on prospective aspects.

Eventhough both TQM and LO use the motivation and empowerment techniques, but the emphasis is different, TQM emphasizes on customer satisfaction, while for the LO goal of customer satisfaction will be

achieved indirectly with reinforcement of learning and build creativity. Related to innovation and change, TQM seeks to implement change and continuous progress, while LO proposes more radical changes through continuous learning for all members of the organization. On the other hand, innovation is the consequence of learning and experimentation carried out by members of the organization. In terms of values and achieving goals, LO more anticipatory and aimed to question the effectiveness of something, while TQM is characterized by solution-based and adaptive as well as efficiency.

### **Studies on Learning Organization in Higher Education Institutions**

In a study at a university in Tehran, Iran, Jafari and Kalanaki (2012) identified that there was a significant correlation between the Learning Organization and organizational readiness for change. Learning organization as an organization where all the goals, strategies and direction as well as its activities goes in harmony with the teaching staff and the organization as a whole requires a change in the value system and the system behavior in education primarily and more specifically at the manager level. The role and behavior of managers in deal with change are key factors in the implementation of learning organization the concept in higher education institution.

In line with Jafari and Kalanaki, Haque (2008) also found a correlation between the application of the Learning Organization with the organization's readiness for change. By conducting a study in profit organizations in Southern California, Mahbulul Haque found that the highest levels of action to implement the LO is the need for leadership. All participants agreed that the seven dimensions in LO is positively and significantly related to organizational readiness for change.

In line with the two researches above, Johnson (2010) identified five factors that influence the creation of a learning organization, namely: communication, organizational structures that are compartmentalized, decision-making at Administrative level, clarity of roles, as well as time for reflection and learning. Participants in his research suggested the need for an increase in initiatives at the level of administration. Cross-group interaction and level, communication, decision-making which is including the administrative personnel, as well as the clarity about the role of supporting the implementation of learning organization.

Learning Organization, in its application should be supported by strategic management. In higher education institutions, strategic management associated with some foundation to build organizational capacity (Building Organizational Capacity) consisting of: Purpose, Governance, Structure, Policies, Processes, Information, Infrastructure



and Culture (Toma, 2010). According to Douglas Toma, strategic management which should be applied to higher education organization include: First, Leaders of the organization need to build capacity to implement the priorities in the organization, and secondly: to build the organization's capacity is achieved by categorizing operational institutions / universities into a "manageable set of a college or university suggesting the need for them to be in sync " .

There are several obstacles in the implementation of the LO at the University, White and Weathersby (2005) highlighted some of the obstacles faced by universities in applying the concept of a learning organization, namely: the challenges in strategy, structure and culture, as well as collisions between academic culture. So it should be emphasized on the importance of accountability for the university to achieve its objectives, such as academic leaders must pay attention to the process of social interaction in encouraging individuals and groups to achieve certain goals.

## **CONCLUSION**

Learning organization concept is interesting to be implemented in higher education institution. It is mainly because universities need to arrange a strategy to deal with global competition facing the dynamic change of the top universities in the world. Besides that, the culture of teaching and learning is a core business of higher education institution itself. For that reason, facing the change in the global community in the advanced technology era we need to implement new strategies and an innovative management system. The implementation of learning organization concept in universities need support from visioner leaders who are ready to deal and do the change for sustainable and continuous improvement.

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