Introduction

Almost everyone once used the terms organizational learning and learning organization interchangeably, if not as synonyms (e.g. Boje, 1994, pp. 433-34; Hawkins, 1994; Hedberg, 1981, p. 22; Levitt and March, 1988, p. 323; Nevis et al., 1995). At a time when the term learning organization was not yet coined, this could easily have been explained by a variation in language. A learning organization was simply an organization that learned (compare organizational learning). At the turn of the millennium the mix of terms (see e.g. Fulmer et al., 1998; Klimecki and Lassleben, 1998; Preskill and Torres, 1999) is more difficult to understand, since most of the literature differentiates between organizational learning and learning organization (e.g. Argyris, 1999; Argyris and Schön, 1996; Easterby-Smith, 1997; Easterby-Smith and Araujo, 1999; Easterby-Smith et al., 1998; Edmondson and Moingeon, 1998; Elkjaer, 1999; Finger and Bürgin Brand, 1999; Leitch et al., 1996; Tsang, 1997). In this paper I will present an overview of the existing distinctions. Since they have not been totally accepted, I will also try to clarify them further.

Furthermore, although the idea of learning organization has celebrated its tenth birthday, it is still not very clear (e.g. Burgoyne, 1999). Some theorists like the indistinctiveness of the learning organization concept (Watkins and Golembiewski, 1995), but – after all – there seems to be a demand for conceptual clarity. Also, the literature that distinguishes between learning organization and organizational learning have probably either been looking only at the traditional perspective of organizational learning, or have made a bundle of the traditional perspective and the social perspective. I will borrow the term of “new” organizational learning, from Turner (referred to in Gherardi, 1999, p. 108), for this social approach of learning. Also, again referring to Turner, I will call the traditional perspective organizational learning, for “old” organizational learning.

Earlier drafts of this paper were presented at the conferences: “Emergent Fields in Management: Connecting Learning and Critique”, 15-17 July 1998, Leeds University, UK and “International Conference on Advances in Management”, July 1999, Baton Rouge, USA.
Since the existing ways of distinguishing between organizational learning and learning organization have not looked specifically at new organizational learning, this paper also suggests another pair of distinctions between the two concepts of organizational learning and learning organization, trying to make a distinction also between old and new organizational learning. These new distinctions might also clarify the concept of learning organization.

**Existing distinctions**

Basically, three distinctions have been suggested in the literature to differentiate between organizational learning and learning organization. All of them imply “either-or”, i.e. organizational learning has one definition while learning organization has another, and they are mutually exclusive.

The two most common ways to distinguish between organizational learning and learning organization in existing literature are that learning organization is a form of organization while organizational learning is activity or processes (of learning) in organizations, and that learning organization needs efforts while organizational learning exists without any efforts. These two distinctions often appear together.

The existing distinctions are not empirical. At least if we study the literature on learning organization and organizational learning, we would find authors that, for instance, see the learning organization as a necessity and organizational learning as a certain kind of organization. Thus, the distinctions are normative. In order to increase the possibility of them being used, I will try to clarify them.

With such an ambition, also this paper is normative. Although, I also take into consideration how the labels are used today, trying to minimise the risk of the distinctions not being used.

**Character of the content**

The first of these two dichotomies is certainly the most distinct one. It deals with the character of the content of the ideas; organizational learning means processes or activities (of learning) in the organization, while learning organization is a form of organization in itself. Authors sometimes use it implicitly, but in some cases they express the distinction explicitly:

Organizational learning is a concept used to describe certain types of activity that take place in an organization while the learning organization refers to a particular type of organization in and of itself (Tsang, 1997, pp. 74-5; see also DiBella, 1995, p. 287; Elkjær, 1999, p. 75; Finger and Bürgin Brand, 1999, pp. 136-7; Lundberg, 1995, p. 10).

Authors using this distinction tend to use either of the prefixes the or a in front of the term learning organization, since they see it as a noun.

Both old and new organizational learning would probably be seen as processes. Old organizational learning is about individuals learning as agents for the organization (e.g. Argyris and Schön, 1978). New organizational learning also means learning, by a collective (Cook and Yanow, 1993) or by humans as social beings (Brown and Duguid, 1991; Lave and Wenger, 1991; Richter, 1998; Wenger, 1991).

The problem with the distinction is twofold. First, organizations nowadays can also nowadays be seen as processes. The word “organizing” is sometimes used instead of organization (Czarniawska-Joerges, 1996). This makes the distinction between processes and organization form quite meaningless. Furthermore, the learning organization is sometimes described as continuous processes of change, adaptation, development and/or learning (see e.g. Swieringa and Wierdsma, 1992, pp. 71-72). In order to clarify this distinction, we have to view the concept of “organization form” from a traditional perspective. Thus, organizational learning would be processes going on in the learning organization (e.g. Jones and Hendry, 1994, p.157), or learning organization is a specific kind of organizational learning (e.g. Esterby-Smith, 1997; Huysman, 1996), i.e. a form of organization where processes of learning in some way or another are important.

Second, the concept of “organization form” is not very clear. One definition, in accordance to the contingency approach, is that it is a form that fits in a certain situation (e.g. Mintzberg, 1983). Another definition implies that some companies are a certain kind of organization, like knowledge-intensive companies (e.g. Alvesson, 1993), while others have another character. However, as the next
The distinction we will look at indicates, the learning organization is described as something that any company can become. Thus, learning organization must be a form of organization that is not dependent on situation or branch. Instead, we have to compare it with such desirable characteristics as effectiveness, health and ethicality, i.e. effective organizations, healthy organizations and ethical organizations.

### Amount of normativity

The second distinction actually consists of a range of similar distinctions. It contains some somewhat different distinctions with a lot in common. It is based on learning organization as a normative concept, while organizational learning means one or another kind of description.

First, the perhaps most obvious implication of the distinction, distinguishes between something that exists naturally without any efforts and something that does not naturally exist but needs activity or effort to be carried out. In this case, all organizations would have organizational learning, but only some would be learning organizations. For instance, Dodgson (1993, p. 380) uses the term “natural state” for organizational learning, while learning organization is seen to move beyond natural learning:

> Organizational learning is as natural as learning in individuals … the “learning organization” can be distinguished as one that moves beyond this “natural” learning, and whose goals are to thrive by systematically using its learning to progress beyond mere adaptation (Dodgson, 1993, p. 380).

Dodgson certainly sees organizational learning as something that exists without efforts, while learning organization demands activity.

Second, an ideal can mean something preferable and the opposite something not desirable. However, not desirable should probably be interpreted as something neutral – not as something unwanted. Tsang (1997) distinguishes between the descriptive organizational learning research and the prescriptive learning organization research. In addition, Tsang labels the learning organization as an “ideal” (Tsang, 1997, p. 81). It is quite obvious that learning organization means a desirable state, according to Tsang:

> A number of books on how to develop a learning organization have come out during the past few years. These books adopt a prescriptive stance and teach managers the way that a company should learn ... At the same time, there have been some empirical researches on organizational learning which describe how companies actually learn (Tsang, 1997, p. 74).

Easterby-Smith and Araujo (1999, p. 8) claim that the authors on learning organization concentrate on the development of normative models for improved learning processes, and that the organizational learning authors focus on understanding the nature and processes of learning in organizations. Also Argyris and Schön (1996) use the terms “prescriptive” (p. xii) and “ideal” (p. 180), but suggest “nonprescriptive” as the other parameter of the distinction (p. xix) (see also Argyris, 1999, pp. 1-14).

Third, an ideal is something not necessary – but perhaps desirable – while the opposite means that it has to exist, like breathing. Thus, organizations have to learn in order to survive (organizational learning), but they do not need to be learning organizations. For instance, Kim (1993) maintains that companies would not exist without organizational learning. Hawkins (1994) states that all organizations learn – otherwise they would not exist.

Finally, two ways to distinguish between descriptive and normative that are not easily found in the literature. However, since most of the authors who distinguish between organizational learning and learning organization are not very specific, it may very well be that they implicitly use one of these distinctions. First, an ideal can mean something unreachable, while that which exists without any efforts is of course also obtainable (Jones and Hendry, 1992, pp. 58-59). Second, ideal could mean something that at the present is unknown, i.e. that nobody really knows what a learning organization would look like (e.g. Swieringa and Wierdsma, 1992, p. 72; Watkins and Marsick, 1993, p. xxii), while organizational learning is something known.

One problem is that it sometimes is difficult to decide how to interpret the literature. For instance, when Jones and Hendry maintain that the idea of learning organization is a “direction” (Jones and Hendry, 1994,
p. 157), it is not clear whether that means that it is desirable, unreachable, unknown, not necessary or that it demands activity. Furthermore, many of the authors who distinguish between organizational learning and learning organization might actually use more than one of the suggested sub-distinctions. Thus, authors using the descriptive versus normative distinction, should specify to which variant of it they refer.

Another problem is that organizational learning can also be an ideal. Especially old organizational learning is also preferable and needs activity – at least as long as double-loop learning is included in the concept of organizational learning (see e.g. Lundberg, 1995, p. 13). Therefore, we should try to avoid two of the sub-distinctions of the descriptive versus normative distinction, namely exists naturally vs. needs activity and neutral vs. preferable, and instead use one or some of the three remaining specifications of the descriptive vs. normative distinction. Although both this paper and the existing distinctions are normative and not empirical, I think it is important to take into account how the concepts are used today. Otherwise, no one will ever use the distinctions.

**Group of target**

Another popular way to differentiate between the two terms, or perhaps another variant of the descriptive vs. normative distinction, is that the literature of organizational learning is academic while the literature of learning organization is practice-oriented and often written by consultants (e.g. Argyris, 1999; Argyris and Schön, 1996; Easterby-Smith, 1997). This might be empirically true – the term learning organization certainly does not impress on some researchers (although others use the term learning organization and vice versa). And new organizational learning is probably even more academic than the concept of old organizational learning.

To sum up (Table I), both of the most common ways to distinguish between organizational learning and learning organization, can very well be used for that purpose especially after a few minor elucidations and corrections. Nevertheless, I will suggest another and complementary way to distinguish between the two concepts.

**Table I Differences between organizational learning and learning organization**

<table>
<thead>
<tr>
<th>Character of the content</th>
<th>Organization form</th>
</tr>
</thead>
<tbody>
<tr>
<td>Processes</td>
<td>Normative</td>
</tr>
<tr>
<td>Descriptive</td>
<td>Needs activity</td>
</tr>
<tr>
<td>Exists naturally</td>
<td>Preferable</td>
</tr>
<tr>
<td>Neutral</td>
<td>Not necessary</td>
</tr>
<tr>
<td>Necessary</td>
<td>Unreachable</td>
</tr>
<tr>
<td>Obtainable</td>
<td>Unknown</td>
</tr>
<tr>
<td>Known</td>
<td></td>
</tr>
</tbody>
</table>

**Group of target**

<table>
<thead>
<tr>
<th>Academics</th>
<th>Practitioners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consultants</td>
<td></td>
</tr>
</tbody>
</table>

**Complementary dimensions**

As complementary dimensions, I suggest firstly a distinction based on who or what learns, and secondly a distinction based on where the knowledge exists. Leymann (1989) argues that the term “organizational learning” hides who learns. Thus, one dimension that the literature on learning organization and organizational learning will be analysed from is “who learns”. Second, Burgoyne (1999) claims the importance of whether the organization is in control of knowledge in the organization or not. Accordingly, the second dimension for analysing the literature concerns knowledge location. While Confessore and Kops (1998) were using the process vs. organization form distinction, they also indicated these two alternative dimensions (Figure 1). In this paper, I will clarify and develop them further.

**Entities of learning**

There has been a debate for a long time, in the literature on organizational learning, about what the entity of learning is. Some of the researchers argue that only individuals are capable of learning not organizations (Kim, 1993; Leymann, 1989; Simon, 1991). Nowadays, most of them who use this individual perspective claim that all or at least many individuals in the organization learn, or should learn. Almost no one sees a few managers’ learning for the organization, as organizational learning:
It is no longer sufficient to have one person learning for the organization, a Ford or a Sloan or a Watson. It’s just not possible any longer to “figure it out” from the top, and have everyone else following the orders of the “grand strategist”. The organizations that will truly excel in the future will be the organizations that discover how to tap people’s commitment and capacity to learn at all levels in an organization (Senge, 1990a, p. 4).

Others argue that organizations, like superpersons (Czarniawska-Joerges, 1994), are able to learn either as they are or metaphorically but that we need to understand in what ways organizations are similar to individuals (Argyris and Schön, 1978; Hedberg, 1981; Jones, 1995). Accordingly, we have a distinction between individuals and organizations as the learning entities.

However, according to Cook and Yanow (1993), both of these ways to look at learning are cognitive. Either the individuals are seen to be learning in a cognitive way, or the organization learns as if it is an individual, they argue. Cook and Yanow suggest another way to look at organizational learning. Their cultural approach implies that the organization learns not as an individual or individuals, but as a collective. Cook and Yanow present this as a cultural approach to organizational learning, and not a cognitive one, as the two previous perspectives. For instance, the members of a car factory or a symphony orchestra have learned together how to build a car or perform a symphony. No two car factories build a car in the same way, and no two symphony orchestras perform one and the same symphony in the same way. An organization member that is newly recruited from another symphony orchestra has to learn from its new orchestra how it plays. At the same time, the orchestra learns more about its own way of playing. In conclusion, there are three options – either the individuals learn or the organization learns as an individual, or the collective learns.

Knowledge location

The other dimension is based on where knowledge exists. Originally, Blackler (1995) used this distinction to classify literature on organizational learning. According to Blackler (see also Collins, 1993), knowledge can be located in five different places. In addition, Blackler suggests a view of knowledge which he calls “knowing”. In this perspective, there is no knowledge to store; knowledge does not exist anywhere, since it is a situated process. Thus, knowledge as knowing is a process and a verb, not a noun that can be stored.

Let us now get back to the five places where knowledge according to Blackler (1995) can exist. First, knowledge exists in individuals – either in their bodies or in their brains. Thus, knowledge is “embodied” or “embraigned”. Furthermore, knowledge can exist between people, or as Blackler also puts it, in dialogues; knowledge is “encultured”.

Another location for knowledge is in routines; knowledge is “encoded”. Finally, according to Blackler, knowledge can exist in symbols, as for instance words in various kinds of documents. In this approach, knowledge is “encoded”.

In conclusion, knowledge can either exist in the individuals or outside them, i.e. in the organization in itself, or not be stored at all “knowing”. In the first case, knowledge exists in the brains or the bodies of the individuals. When located outside individuals, knowledge exists in the culture, in routines or in symbols.

Analyses of the concepts

Let us now use the alternative distinctions and analyse the concepts of old organizational learning, learning organization and new organizational learning (Table II).
Most traditional researchers on organizational learning or “old” organizational learning seem to agree upon what organizational learning is (e.g. Argyris and Schön, 1978; Dixon, 1994; Hedberg, 1981; Huber, 1991; Kim, 1993; Levitt and March, 1988; March, 1991; Simon, 1991). A quite common view of organizational learning implies that the individuals learn as agents for the organization. However, in order to be valid as organizational learning, the knowledge must be stored in the memory of the organization. This consists of routines, rules, procedures, documents and culture (i.e. shared mental models).

Thus, knowledge acquired by the individuals is transferred to the organizational memory. The shared mental models preserve that the individuals learn the “correct” knowledge for the organization. In conclusion, the learning entities are both the individuals and the organization as an individual, and the knowledge exists outside the single individuals.

### Learning organization

In the literature on learning organization, the individuals are the learning entities. Further, the literature emphasises knowledge storing outside the individuals to a much lesser extent than the literature on organizational learning. Instead, the individuals learn (see e.g. Garratt, 1990; Jones and Hendry, 1992), and the knowledge mostly stays in the individuals. In some cases the teams are said to be learning, but also in these cases it seems like the individuals learn. Senge comments about team learning:

In dialogue, a group explores complex difficult issues from many points of view. Individuals suspend their assumptions but they communicate their assumptions freely. The result is a free exploration that brings to the surface the full depth of people’s experience and thought, and yet can move beyond their individual views (Senge, 1990a, p. 241; see also Watkins and Marsick, 1993). The team learning described by the learning organization theorists is certainly not comparable to Cook and Yanow’s (1993) collective learning, since it is still the individuals who learn although everyone is “free” to express their assumptions. Accordingly, the knowledge sticks to the individuals.

Since the knowledge acquired by the individuals is seldom made organizational, the knowledge exists, to a great extent, in the individuals (i.e. their bodies and brains). The transfer of knowledge in learning organizations is supposed to go on between individuals (see e.g. Garvin, 1993) not between individuals and the memory of the company. Instead of being a store house (as old organizational learning can be compared to), the organization is more like an ideal school. The organization provides a climate that facilitates the learning of the individuals, and the managers are supposed to be coaches instead of directors (e.g. Garratt, 1990; McGill and Slocum, 1993; Pedler et al., 1991; Senge, 1990b). In this way, the employees can satisfy the needs of the customers (see e.g. Garratt, 1990).

After all, in some cases some of the knowledge is stored outside the individuals – although authors on learning organization mostly tend to describe that most knowledge exists inside the individuals (i.e. in their brains). According to some of the studies on learning organization, the individuals are connected to the organization by a shared vision and by a perspective of wholeness (e.g. Senge, 1990a), which we can compare with the shared mental models that guide the individuals in the perspective of old organizational learning. In conclusion, the individuals learn and the knowledge is mainly located inside the individuals, but also outside them.

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### Table II An analysis based on alternative distinctions

<table>
<thead>
<tr>
<th>Entities of learning</th>
<th>Old organizational learning</th>
<th>Learning organization</th>
<th>New organizational learning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individuals, the organization</td>
<td>Individuals</td>
<td>The collective (humans as social beings)</td>
<td></td>
</tr>
<tr>
<td>Outside individuals</td>
<td>Inside and outside individuals</td>
<td>Cannot be stored – knowing!</td>
<td></td>
</tr>
</tbody>
</table>

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Anders Örtenblad

New organizational learning

In the 1990s a social approach to learning has shown up in the organizational learning literature (e.g. Brown and Duguid, 1991; Cook and Yanow, 1993). There are two main differences between new organizational learning and old organizational learning (see e.g. Gherardi et al., 1998, p. 274). Firstly, the former perspective rejects both cognitive learning by individuals and by the organization as an individual. Instead, the humans as social beings within a community of practice learn (Brown and Duguid, 1991; Lave and Wenger, 1991; Richter, 1998; Wenger, 1991). Thus, learning means participation, not acquisition of information. Neither the individuals nor the organization as an individual learn. Instead, it is more correct to say that the collective learns.

Secondly, while knowledge is storable in the perspective of old organizational learning, it is context dependent in the new perspective of organizational learning; learning is situated (Lave and Wenger, 1991). Accordingly, knowledge cannot be stored without changes; in another situation the information will certainly have another meaning.

In sum, the learning entity in the perspective of new organizational learning is the collective (i.e. humans as social beings). Knowledge is a situational process – knowing – and cannot be stored.

Recommendations

In order to distinguish between the traditional, “old”, perspective of organizational learning and learning organization, the existing distinctions will do fine. Although, when we say that learning organization is an organization form, we should clearly acknowledge that we mean “organization form” in a traditional way. Otherwise, it might be difficult to separate organizational learning from learning organization, since both can mean “processes”. Further, since any organization is said to benefit from becoming a learning organization, it must mean an ideal organization form, which connects to the other of the two main existing distinctions.

Anyone who uses the descriptive vs. normative distinction should specify which one of a number of sub-distinctions they refer to. However, some of the sub-distinctions are inappropriate, since also organizational learning can be normative, in the sense of preferable and dependent upon activity. Thus, I suggest the use of the following meanings of the descriptive vs. normative distinction: necessary vs. not necessary; obtainable vs. unreachable; known vs. unknown.

Since existing distinctions have made no difference between old and new organizational learning, those who want to distinguish also between these two concepts can instead use another pair of distinctions, namely entities of learning and knowledge location. The concept of old organizational learning implies that individuals learn, as well as the organization as an individual. The knowledge is stored outside the individuals. Learning organization means primarily that the individuals learn, while the knowledge is located both inside and outside the individuals. Finally new organizational learning, where the collective learns, and where the knowledge is not storable.

References


