Organizational Learning, Agility and Social Technologies for Enhanced Organizational Performance

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Abstract
The prevalent business environment characterized by technological advances, globalization, powerful customers and increasing ethical concerns is exerting a lot of pressures on business organizations. The ever increasing competition means that it is easier to fail than to succeed. There are some key business virtues to be incorporated in order to gain competitive advantage or even to survive. Organizational learning and organizational agility are such key prerequisites in the current environment. This research relates organizational learning and organizational agility with the aim of enhancing business performance. Nowadays organizations are utilizing social technologies for many different purposes. In this study we reflect on how social technologies are used for promoting organizational learning and organizational agility in order to improve organizational performance. The contribution of the research is proposing a conceptual model and drawing a hypothesis which could be used in future empirical research to ascertain the value of organizational learning, organizational agility and social technologies in improving organizational performance in a competitive environment.

Keywords
organizational learning, agility, social technologies, organizational performance

INTRODUCTION
Success is increasingly difficult in the current business environment in which organizations have to contend with a rapidly ever-changing environment. There are many organizational ingredients required to be successful, for example, organizational learning and organizational agility. Moreover, there are efforts by organizations to enhance these capabilities, for instance, by formulating learning communities, as well as making use of advances in technology, such as, social technologies. An organization with these capabilities can develop competitive advantage by being among the leaders in recognizing threats and opportunities and in addition being able to take advantage from it. Therefore, it is essential to understand how organizations in current competitive advantage can make use of organizational learning and organizational agility to improve organizational performance. Moreover, an organization which has learning and agile abilities can read the market and mobilize re-

sources rapidly which are critical competences in the prevalent environment (Dyer and Shafer, 1998).

The prevalent business environment is characterized by technological advances and obsolescence, customers with unlimited buying channels, ethical issues, information overload (Turban et al., 2008). There has been some attempt in past literature to relate the different organizational attributes in the competitive environment, for instance, organizational learning and firm's flexibility (Santos-Vijande et. al., 2011), innovation, organizational learning, and performance, information technology and organizational learning (Robey et al., 2000).

However the interrelationship between organizational learning and organizational agility for organizational performance improvement has not been thoroughly covered in the literature. Moreover, the advances in social technologies call for research to uncover how organizational performance could be enhanced. This study considers that organizational learning and organizational agility complement each other in promoting organizational performance. To adequately illustrate this, the research question addressed in this study is: how could social technologies be used to enable organizational learning and organizational agility for organizational performance improvement?

This research is a theoretical research with the aim of developing a foundation for further empirical studies of how organizational performance could be enhanced by use of social networking to foster organizational learning and organizational agility in a competitive environment. In the next section, Section 2 organizational learning, organizational agility and business performance are elaborated. Then in Section 3, a tentative model of social technologies, organizational learning, organizational agility and organizational performance in a competitive environment is proposed. Next in Section 4 and 5 is discussion and conclusion respectively.

RESEARCH BACKGROUND

Organizations as Communities of Learning

There are numerous definitions for learning taking place in organizational and work context. In the 1990s there was a lot of discussion about learning organization and company (e.g. Senge 1990). The learning organization was seen facilitating the learning of its members and continuously transforming itself (Pedler et al. 1997). The classical definition by Senge (1990) emphasizes five main characteristics of learning organization: systems thinking, personal mastery, mental models, a shared vision, and team learning. There has been also discussion about organizational learning, a term which was originally introduced already in the 1970s by Chris Argyris and Donald Schön. It has been argued that organizational learning is the activity and the process by which organizations eventually reach the ideal of a learning organization (Finger and Brand 1999, 136).

But, what kind of activity and processes are needed for better performance? It is obvious that the adaptive learning (single-loop-learning) (Argyris 1978) is not enough because it focuses on solving problems in the present without examining the appropriateness of current learning behaviors. Double-loop-learning (Argyris 1978) which an individual, organization or entity is able, having attempted to achieve a goal on different occasions, to modify the goal in the light of experience or possibly even reject the goal. But, the highest form of organizational learning is deutero-learning (Argyris & Schön 1996). It is about learning to learn by asking more and more fundamental questions, reflecting on and inquiring about previous contexts of learning. In addition to governing values the focus is on embedded traditions and systems. This dimension of learning is composed of structural and behavioral components which determine how learning takes place. This type of learning can also be called generative/transformational learning. (Mezirow 2000).

Organizational learning should be enhanced through systems that support communication and discourse. Based on Wenger (1999) communities of practice organizations can be viewed as communities of learning (Tikkamäki 2006) whose main modes of operation are participation, knowing, reflecting and social supporting. Participation is activity in practice, relationships with others and experiences developing in practice. It is social by its nature and includes doing, talking, thinking and feeling. Knowing is knowledge constructed in practice, in the processes of participation. It is situated, mediated, temporary and contested by its nature. In knowing learning and doing are intertwined. Reflecting is a prerequisite for conscious learning. Reflecting is a rational analytical process through which human beings extract knowledge from their experience (Jordi 2011). Reflecting means individuals' cognitive processes such as becoming conscious, analyzing, evaluating, questioning, criticizing experiences, assumptions, beliefs or emotions (Mezirow 1981; Schön 1983). Organizational structures and organization of work should also promote reflective processes. Social supporting means peer support and sense of community. In practice it is commitment to participation and negotiation of meanings.

Organizational Agility

Agility could be defined as "the continual readiness of an entity to rapidly or inherently, proactively or reactively, embrace change, through high quality, simplistic, economical components and relationships with its environment" (Conboy and Fitzgerald, 2004). There are other terms related to organizational agility in the literature, for example, enterprise agility (Overby et al., 2006), strategic agility (Doz and Kosonen, 2008) and operational agility (Sambamurthy et al., 2003). Operational agility involves "the ability of firms' business processes to accomplish speed, accuracy, and cost economy in the exploitation of opportunities for innovation and competitive action" (Sambamurthy et al., 2003). This view gives an emphasis of the internal attributes in embracing opportunities for competitive advantage. Overby et al., (2006) suggested enterprise agility to be comprised of sensing environmental change and responding readily. Strategic agility stresses the need for strategic sensitivity, resource fluidity and collective commitment in a dynamic market place (Doz and Kosonen, 2008). All these agility views relate in two broad dimensions, sensing the environment and responding as required.

The sensing dimension of organizational agility involves scanning the external environment for locating current and emerging threats and opportunities and quickly turning information gathered into actionable decisions (Dyer and Shafer, 1998). Therefore sensing has two perspectives, first is gathering information of present circumstances and second is foresight of environment trends. The environment to be sensed includes current and potential customers, current and potential competitors, key suppliers, technology advances, public policies and ethical issues and trends in demography and lifestyle. Another important element of the sensing dimension is the ability to turn gathered information into knowledge for decision making, for instance, market intelligence required to make decisions on launching a new product.

Several authors have articulated the need to respond to environment requirements, for example, (Overby et al., 2006), Bradley and Nolan (1998), Dove (2001) and Doz and Kosonen (2008) called for resources fluidity. Nevertheless, responding to business pressures is a challenging task which calls for broad and intense skills and competences, for example, leadership skills and adept decision making. Moreover, these skills and competences mature with time through organizational learning. Organizational agility demands for quickly and smartly translating knowledge gathered from the environment into decisions which are put into action. The ability to respond needs to be cultivated into organizational culture and in addition this needs to be supplemented with resource fluidity. Resource fluidity is the speed and ease of

adjusting resources, such as, financial, and physical resources as per requirements or demands emerging.

Social technologies

Social technologies are systems which enable networking and collaboration. In a work environment nowadays knowing is mediated to a great extent by social technologies. Example of social technologies include wikis, blogs, virtual learning spaces, social networking services systems, such as, Facebook and LinkedIn. There are several motivations for networking using social technologies, for instance, increased professional and career opportunities, enhanced social circles, learning and work purposes. We are interested in studying social technologies in order to highlight how collaborative learning communities could be promoted thus enhancing organizational learning and agility. Social technologies can facilitate the access to and the usage of organizational memory and knowledge resources. Social technologies can be an important ingredient in the design of organizational learning infrastructure and facilitator of the learning processes like storing, accessing and revising the elements of organizational memory (Robey et al., 2000). Social technologies also facilitate or increase channels of communication with the external parties, such as, customers, suppliers and partners. Therefore, social networking offers the organization room to relate more with the business environment which is crucial for organizational agility. Social technologies are used in many contemporary professions and work contexts in communicating, finding information and collaborating. In this case social technologies are defined based on McKinsley report (Chui et al., 2012) as: "the products and services that enable social interactions in the digital realm, and thus allow people to connect and interact virtually" (pg. 4).
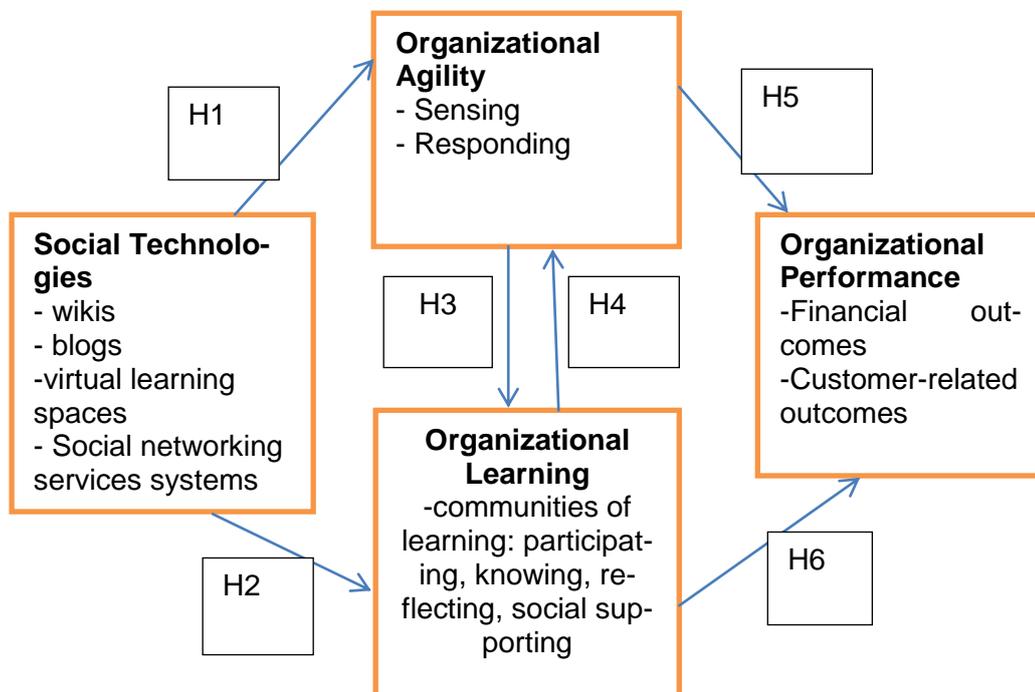
Organizational Performance

Ultimately, the performance of the organization determines its survival especially in a competitive environment. However, organizational performance is viewed differently from varies dimensions, for instance, financial outcomes and organizational related outcomes. Hence, there is wide range of perspectives in research and in practice on how to measure organizational performance. Organizational performance could also be judged according to different dimensions, such as financial and market indicators (sales, market share and profits) (Dyer and Shafer, 1998) and customer related outcomes (customer satisfaction, loyalty and value added perceptions) (Santos-Vijande et. al., 2011). It is important to note that these performance measures are interrelated and could mean that success in one aspect is at the expense of another, for example, lowering prices could increase customer loyalty but decrease profits. So eventually performance should be viewed both from the short term insights and long term desired goals. However, before the final outcome of the performance such as profitability, success or failure is defined by how useful are the firm's resources and how well they are utilized. That is, internal assessment of the organization's strength that gives it advantages over the competitors. The resource based view (RBV) states that resources that are valuable, rare, imperfectly imitable and that cannot be strategically equivalent create sustained competitive advantage. Valuable resources enable the firm to be both effective and efficient in its core functions. However, the valuable resources have to be rare to be sources of competitive advantage. The resources that are valuable and not owned by most of the competitors bring competitive advantage in that such firms are strategic innovators. Moreover, the valuable and rare resources can only be sources of long term sustained competitive advantage if they are not easily imitable or non-substitutable by competitors (Barney, 1991).

SOCIAL TECHNOLOGIES, ORGANIZATIONAL LEARNING, AGILITY AND PERFORMANCE

Organizational performance determines the survival of the organization in a competitive environment in the long run. Therefore it is important to improve performance and this study suggests, as illustrated in Figure 1, that organizational learning and agility play a key role in enhancing performance. And social technologies could be utilized to enhance both organizational learning and agility.

The role of information technology (IT) for organizational performance has received mixed views from both scholars and practitioners. For example, Sambamurthy et al. (2003) suggested that IT is important for enhancing performance but literature differ in arriving to this conclusion, for example, Ordanini and Rubera (2010) noted that there are two relating views. First view is that IT impacts directly business performance and second that it impacts indirectly. This study inclines to the view that IT, in this case, social technologies indirectly impacts business performance through organizational features, such as, organizational agility and organizational learning as illustrated in Figure 1.

Figure 1: Tentative Model of Social technologies, Organizational agility, learning and performance

Social technologies enable networking for different purposes and an organization could make use of these networks, for instance, to communicate with customers and basically understanding the dynamic business environment and changing accordingly. Therefore, social technologies by enabling interaction in different communities in a way offer an avenue to enhance sensing and responding to the external environment and thus promoting agility. As illustrated in Figure 1 and stated in hypothesis H1 social technologies could enhance the main dimensions of organizational agility. But, there is a gap in the literature in understanding the application of social technologies for organizational agility.

H1 Social technologies is positively associated with organizational agility

Organizational learning should be promoted through systems that support communication and discourse, for example, social technologies that enable networking (Robey et al., 2000). Communities of learning (Tikkamäki, 2006) where co-creation,

sharing and negotiation of knowledge are emphasized are essential organization ingredients that foster learning. Social technologies could enhance these social processes by enabling sharing of information, experiences as well as developing new contacts and formulating groups. Therefore social technologies could promote organizational learning as shown in Figure 1 and stated in H2 below. But, what are the prerequisities for using social technologies in a way that facilitates organizational learning processes in a meaningful way?

H2 Social technologies is positively associated with organizational learning

The two main dimensions of organizational agility, sensing and responding to the environment needs to be consistently nurtured and improved. This is where the value of organizational learning is essential for organizational agility. The business environment is ever changing and thus the sensing capabilities needs to be constantly refined in order to be adequate and thus the essence of organizational agility in supporting the sensing dimension of strategic agility. Moreover, responding to the external threats and opportunities also needs organizational learning in that the response efforts are dynamic tailor made to best suit the environment demands. Social technologies may enhance these learning processes by making possible to share information and tell stories with members of different communities, comparing experiences with others, building new relations and forming groups for different purposes. Therefore, as illustrated in Figure 1 and formally stated in hypothesis H3, organizational learning promotes organizational agility. Organizational learning also benefits from organizational agility in that as the organization senses and responds to the environment pressures so it learns from the experience and thus develops organizational learning as illustrated in Figure 1 and stated in hypothesis H4.

H3 Organizational learning is positively associated with organizational agility

H4 Organizational agility is positively associated with organizational learning

Organizational agility is essential in a volatile, unprecedented, unparalleled and unpredictable environment. Success is for the business which is willing to make the necessary change efforts in line with the environment demands and moreover to influence the environment through innovation ventures. Organizational agility enables organizations to better know the threats and opportunities faster than the competitors and also to be better prepared for the required response action. Customers in the current environment have a wide range of choices and globally due to possibilities of buying from the internet. Therefore customer-related-outcomes, such as, customer satisfaction, loyalty and value added perceptions are currently much difficult to establish. Hence, there is a need for organizational agility which aids in fostering customer relationship by knowing and serving the customer better. Thus, as illustrated in Figure 1 and stated by hypothesis H5 organizational agility is essential for organizational performance especially in the prevalent competitive environment. But, being too agile, does it risk reducing organizational performance?

H5 Organizational agility relates positively with organizational performance

There are several ways organizational learning can improve organizational performance. For instance organizational learning improves information processing activities which enables efficient adaptation to changing market condition than the competitors (Santos-Vijande et. al., 2011). Co-creating, sharing and negotiating of knowing are also enabled through organizational learning. In fact, due to constant changes in the environment, adapting is so crucial that it is a success factor and it is enhanced by organizational learning. In addition, customer related outcomes, such as, loyalty are developed from serving the customer well, which is developed in time through organizational learning. Therefore as illustrated in Figure 1 and stated in hypothesis H6, organizational learning promotes organizational performance. But, do the members of the organization have the required abilities to learn and built up the communities of learning from the point of view of organizational performance?

H6 Organizational learning relates positively with organizational performance

DISCUSSION

It is noted that there is remarkable potential (organizational memory & customers) as well as challenges in utilizing social technologies. However, it is important to examine the added value of social technologies in work context. The impact of social technologies on agility and organizational learning is also limited if employees do not have skills and motivation to use social technologies. There is often need for training and creation of collective principles of using social technologies as a part of work processes in the organizations. However, ironically organizational learning capacity and implementation of social technologies that enable organizational learning depends on an organization's present capacity to learn. Therefore, social technologies have a potential to enable and disable organizational learning.

Organizations should make use of agility and learning in order to be competitive in the prevalent business environment. Competition is increasing due to technology advances which enable global competition and increase in substitute products. Firms can either embrace the opportunities presented in the current context or suffer from the growing threats of powerful customers with unlimited options to buy from. Organizational agility and learning is not optional but a prerequisite and the practical implication of this is that competitive advantage will be based on these organizational abilities and thus it is important for organizations operating in competitive industries to constantly improve their learning and agility capabilities. Moreover, business performance both financial outcomes and customer-related-outcomes are greatly influenced by organizational learning and agility.

This research has proposed a hypothesis which relates social technologies, organizational agility, organizational learning and organizational performance in a competitive business environment. This study is a theoretical one and its limitations include lack of empirical basis. Therefore, the hypothesis needs to be empirically validated which is the proposed further research. However, the value of theoretical research for theory formulation has been emphasized in literature, for example Webster and Watson (2002). Thus this research covers an area in literature with limited research beforehand on how to survive in a competitive environment making use of organizational research and organizational agility.

CONCLUSION

The business environment is increasingly competitive and success is now achievable by those who provide what the environment seeks as well as influence the environment. Organizational learning is constantly required to be able to adapt and keep up with the demands of the environment. There is a need to learn both from the environment (learning from experience) as well as efforts to internally upgrade the organizational knowledge through learning. Moreover, organizational agility is required to sense the external factors, for example, customers and competitors and awareness of internal strength and weaknesses. In addition organizational agility enables appropriate response actions to the environment pressures. This study proposes that organizational agility and organizational learning play key interrelated roles in enhancing business performance to survive in a competitive market place. There is a lot of potential of social technologies that is not fully understood and utilized. There is lot of potential but also challenges and risks in adopting social technologies. There is need for more research to uncover social technologies role for improved organizational performance.

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Biographies

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