

Organisational Learning and Organisational Health¹

Introduction

During the course of recent discussions with NGO staff about organisational learning and knowledge management, a consistent issue has emerged that underpins the problems many NGOs report in putting the theory of organisational learning into practice. That issue relates to the work pressures faced by NGO staff and the constraints these place on even the most passionate supporters of organisational learning. The result is that spending time on learning at individual, team and organisational levels is often seen as an extra burden or even an unachievable luxury in many NGOs.

The conventional time-management response to statements like 'I don't have the time to devote to learning' is to re-cast lack of time in terms of priority — 'What you're really saying is that you don't put aside time for learning because you choose to attach greater importance to other activities'. Whilst this is undoubtedly true, this rather unhelpful response does little to acknowledge the very real work overload faced by large numbers of NGO staff. Although it is frustrating to admit it, NGO staff don't allocate time to my particular area of interest — organisational learning — not simply because they are *unwilling* to give it adequate priority but often because they are simply *unable* to. Their managers and even their NGO's culture appear to under-value any activities except those which are believed to be directly and obviously performance-related. For as long as this is the case, time spent on reflection and learning will compete with time spent on other activities and merely add to the often overwhelming pressures experienced by over-stretched NGO staff.

Instead of simply arguing, yet again, for managers to re-assess the importance they attach to organisational learning in their list of organisational priorities, I have recently begun to examine the wider concern of what the pressure of overwork means in terms of an indication of organisational health or, more accurately, organisational ill-health. Until this issue is better understood, organisational learning and other functions that are seen by many managers as desirable — but not essential — to organisational effectiveness will continue to remain low on the priority list of many NGOs.

By examining organisational learning in the context of organisational health, I will suggest that embracing the mechanisms and processes of organisational learning can provide a necessary and valuable contribution to organisational health by contributing to job satisfaction and supporting the search for deeper meaning and purpose that staff increasingly expect from their work.

This short paper therefore seeks to:

- Develop an understanding of the concepts of organisational health and organisational learning in the context of NGOs.
- Examine the relationship between organisational learning and organisational health in NGOs.
- Propose some practical action that NGO managers and staff can take to improve the health of their organisation through the promotion of organisational learning.

What is organisational health?

The idea that organisations, like individuals, can be healthy or unhealthy is one that has generated considerable interest among writers on organisations and their development. Many writers on organisational development view organisational health as equally important as organisational effectiveness and this can be seen in many definitions of organisational development and OD. For example, the organisational development expert Richard F Beckert defines organizational development as 'an effort ... to increase organizational effectiveness and health through planned interventions in the organization's processes, using behavioural science knowledge'.

The vocabulary of health is becoming increasingly common in the literature on NGO management. Alan Fowler, the commentator on NGOs makes reference to the importance of organisational health in his analysis of NGO capacity. Many tools for NGO organisational assessment and quality assurance, for example, make explicit reference to organisational health². A recent policy document on improving the performance of the UK voluntary and community sector refers to the need to 'base their actions on a sound diagnosis of their organisational health'³. Some self-assessment tools for examining organisational capacity are even entitled 'Health Checks' and use explicitly medical language such as 'diagnosis' and 'taking the pulse'.

Whilst many writers on organisations find it attractive to apply the metaphor of health to organisations, few take the trouble to define what they mean by organisational health — or do so only implicitly.

For example, even the otherwise eloquent writer on organisational issues Margaret Wheatley describes organisational health in rather unenlightening terms as 'having a greater capacity to know what we do' (Wheatley, p 155).

So how *should* we understand the term 'organisational health'? First we need to be clear that organisational health is about much more than just occupational health and safety. Whilst a healthy organisation must be one that is physically safe and does not place its staff under unacceptable or avoidable risk to their physical health, it must also attend to the mental, emotional, social and, some would argue, the spiritual dimensions of their work lives. The holistic view of organisational health which is promoted in organisational theory embraces the concept of 'well-being' and applies this at organisational, inter-personal and individual levels in the workplace. Whilst 'well-being' may seem a rather imprecise concept, it is useful because it encapsulates the idea of a whole system in balance with itself and its environment.

So if we apply the idea of the healthy organisation to an NGO we need to consider well-being at individual, team and organisational levels and also recognise the importance of developing healthy relationships between the NGO, its partners, its other stakeholders, and its wider environment.

At an individual level a healthy organisation supports the physical, mental emotional and spiritual well-being of its members. People have very much more sophisticated expectations of their work and their employers nowadays. Recent research has identified five categories of experience that are vital for well-being: time structure, social contact, collective effort or purpose, social identity or status and regular activity⁴. People expect their need for meaning and purpose in their lives to be met increasingly through their work. NGOs have often assumed that the nature of their 'business' will provide the sense of purpose and job satisfaction that their staff seek. This is no longer a safe assumption for NGOs to make.

Furthermore, the instrumental way many NGOs treat their staff suggests that the psychological contract⁵ that binds staff to the organisation is not reciprocated. NGOs, like other organisations, need to consider how they will respond to the increasing expectations that their staff have of a workplace based on mutual benefit, where the staff feel a sense of purpose and where their contributions are valued.

In short, many people are looking for what is now called a healthy organisation: one that creates an environment which enables the achievement of individual as well as collective goals, encourages

supportive as well as effective relationships, enables professional fulfilment and development as well as the achievement of organisational goals and supports people in their pursuit of meaning through work as well as employing their talents for the benefit of society.

At an organisational level, a healthy NGO has a number of characteristics (see Box 1).

Box 1: The Elements of a Healthy NGO

According to the South African writer on NGOs Davine Thaw, the healthier the organization, the more change it can handle. Shaw identifies the following elements for health in NGOs:

- Clarity of purpose
- Shared values underpinning the work of the organization
- The ability to deal constructively with conflict
- Open and honest communication and feedback
- Technical capability where it is needed (systems, computers, planning, management, and so on)
- Institutionalized leadership — people are clear on their roles and tasks and take personal responsibility for the authority they have
- All people have an understanding of the whole organization and its work
- Very importantly, there are open channels of communication to get feedback from each other, stakeholders and particularly client or target groups.

Source: Thaw, Davine 'Stepping into the River of Change' in Edwards, Michael and Alan Fowler (eds) (2002) *The Earthscan Reader on NGO Management*, London: Earthscan.

It is not difficult to see the symptoms of organisational ill-health in NGOs. At an individual level ill-health may emerge as concerns about overwork, limited motivation, low morale, exhaustion or stress which may lead to physical illness, depression or burn-out. Teams and work-groups may be involved in unproductive conflict or may be unwilling to take the initiative on problem-solving and decision making. Managers may resort to coercive or bullying behaviour to ensure compliance and maintain productivity. Whole organisations may develop a justified reputation for being poor employers, for stifling creativity or being so self-absorbed that they lose their sense of collective purpose.

Organisational and individual ill-health may arise in a number of ways. Ill-health may arise from the problems of managing the often-conflicting external demands of donors and other stakeholders whose criteria for success are different and sometimes mutually incompatible. Other pressures leading to ill-health may be more self-imposed such as inadequate staffing structures, setting unclear or unachievable targets, poor people-management practices or a lack of opportunity for staff to influence and achieve professional fulfilment through their work. A recent article by the journalist Sean Coughlan in *The Guardian* newspaper on 30 October 2004 reported that the main cause of misery at work comes from a lack of individuals' control over their own work — too many rules, too many targets and not enough trust.

Whilst organisational health and organisational effectiveness are not the same thing, some writers suggest that they are closely interlinked. A healthy NGO is likely to be an effective NGO: focusing its resources where they will make the most difference; striving to 'raise the bar' on individual, team and organisational performance; delivering high quality results; valuing experience and learning from it and acknowledging the diverse contributions of people within and outside the organisation.

So maintaining a focus on organisational health is important for a number of reasons. At an individual level, studies on the quality of working life suggest that working in a healthy organisation has a demonstrable effect on job satisfaction, individual productivity and staff retention as well as helping to fulfil the individual's search for meaning and purpose through their work. A key question is whether the organisation is willing enough to change in order to generate and maintain these benefits.

Taking organisational health seriously indicates that the NGO intends to act as a responsible employer by putting into practice internally those values and principles such as participation and empowerment that NGOs frequently espouse externally. In other words, creating greater congruence between the organisation's values and its practice or 'putting their money where their mouth is'.

What do we mean by organisational learning?

In their valuable examination of how NGOs can improve and share learning, Chetley and Vincent⁶ (p10) introduce through what they term a 'three-stage learning process', their understanding of the term 'organisational learning':

1. individuals and teams or groups within an organisation are enabled, encouraged and supported in their learning activities. Referred to as individual or group learning in the literature.
2. this learning is 'socialised' and 'institutionalised' — shared collected, organised and 'owned' by the organisation. This is commonly referred to as organisational learning.
3. learning is at the heart of the organisation and is central to all of its functions and processes and is used to transform and develop the organisation. This forms the basis of a learning organisation.

Organisational learning is, of course, dependent on individual learning and we know a lot about what helps and hinders individual learning. What helps learning are:

- An atmosphere of trust that encourages open and transparent communication;
- Humility about existing knowledge combined with a genuine interest to examine new ways of working;
- Encouragement to take risks, experiment and be creative in addressing new challenges;
- Recognition and reward for contributions made;
- A sense of contributing to a purpose beyond the boundaries of individual job descriptions.

What hinders learning are:

- Anxiety and stress;
- Being expected to conform;
- Recrimination for admitting mistakes;
- Low morale and lack of motivation;
- Complacency at an individual and organisational level;
- Defensive routines — the entrenched habits and unspoken rules that we use to protect ourselves from the embarrassment and threat of exposing our thinking to others by making certain subjects undiscussable.

It should come as no surprise that many of the factors that encourage learning are also indicators of organisational well-being (see, again, [Box 1](#)) whilst those that hinder learning are also signs of an unhealthy organisation.

What contribution can organisational learning make to organisational health?

My experience of working with NGOs suggests that there is a recognisable two-way relationship between organisational learning

and organisational well-being with each mutually reinforcing the other.

1. Organisational learning can be seen as a necessary *requirement* for organisational health: if an organisation is not learning it cannot be regarded as healthy as it is failing to recognise, value and capitalise on the experience and contributions of its staff and stakeholders. At the same time, a healthy organisation can also be seen as a necessary *context* for organisational learning: individuals and teams will be unable or unwilling to contribute their ideas and experience if they are overworked, undervalued, lacking in motivation or absent through sickness.
2. Whether there is a causal link between organisational learning improving organisational health or whether organisational learning is seen an indicator of organisational health it is worth taking organisational learning seriously not just as a means of improving organisational effectiveness but also as a way of developing NGOs as supportive and fulfilling places to work.
3. Mechanisms and processes associated with organisational learning and knowledge management are primarily concerned with developing and strengthening interpersonal connections for the purpose of sharing information and knowledge. Whilst their intended goal is improved organisational effectiveness, there is increasing evidence that they have a valuable unintended consequence: building healthy organisations.

For example, in her ground-breaking study of the implications of the 'new science'² for organisations and their leaders, Margaret Wheatley describes how organisations (she characterises all organisations as complex systems) that are experiencing problems can be helped to change:

'If a system is in trouble, it can be restored to health by connecting it to more of itself. To make a system stronger, we need to create stronger relationships. This principle has taught me that I can have faith in the system. The system is capable of solving its own problems. The solutions the system needs are usually present in it. If a system is suffering, this indicates that it lacks sufficient access to itself. It might be lacking information, it might have lost clarity about who it is, it might have troubled relationships, it might be ignoring those who have valuable insights.

'To bring health to a system, connect it to more of itself. The primary change strategy becomes quite straightforward. In order to change, the system needs to learn more about itself from itself. The system needs processes to bring it together ... People need to be connected to the fundamental *identity* of the organisation or community ... And people need to be connected to new *information* ... And people need to reach past traditional boundaries and develop *relationships* with people anywhere in the system.'
(Wheatley pp145—146)

4. Wheatley's holistic and systemic understanding of health in organisations suggests that the mechanisms and processes of organisational learning and knowledge management such as Communities of Practice and action learning sets are not only effective ways of sharing knowledge and learning but are inherently health-creating in organisations. This is strongly supported in my recent experience of talking to people in NGOs that have introduced these kinds of mechanisms. Many report a deep sense of satisfaction from their participation in mechanisms for collective and individual learning that demonstrated to them the value of working in more open, trusting and mutually supportive ways.

What practical action can NGOs take?

The task for NGOs and their managers may, at first, seem daunting but there are some practical actions that can be taken to work towards greater organisational health. As someone who is interested to put some of these ideas into practice, you can:

- Reflect on the importance of organisational well-being and develop a shared understanding with your colleagues of what it means to be a healthy organisation.
- Assess the health of your organisation using criteria based on your shared understanding. Discuss the results and make organisational well-being an explicit goal of your organisation.
- Examine the existing connections between organisational learning and organisational health. Identify and value the contribution that organisational learning processes currently make to the well-being of your NGO. Identify ways in which the connections between organisational learning and organisational health could be strengthened.
- Recognise that organisational learning depends to a large extent on individuals who are confident, motivated and able to reflect on their work and challenge orthodox thinking. To do

this requires both a sense of psychological safety and a sense of meaning, purpose and a wider understanding of how their work contributes to the organisation as a whole. Work on these areas explicitly. Encourage and provide opportunities for individuals to reflect on their work and ensure that their contributions are acknowledged and valued.

- Develop a wide range of mechanisms and processes that encourage collective learning (for example, action learning sets, communities of practice and also more informal opportunities for sharing knowledge and learning).

Bruce Britton

If you want to respond to any of the issues in this article, please e-mail Bruce at bruce@framework.org.uk.

Footnotes

1 This paper was written as part of a research project commissioned under the PRAXIS programme of The International NGO Training and Research Centre (INTRAC), Oxford, UK.

2 One of the earliest references to healthy organisations in the context of NGOs is in Fowler, Alan, Liz Goold and Rick James (1995) *Participatory Self Assessment of NGO Capacity*, INTRAC Occasional Paper Series Number 10, Oxford: INTRAC

3 NCVO Quality Standards Task Group (April 2004) *Improving our performance: a strategy for the voluntary and community sector*, London: National Council for Voluntary Organisations

4 Jahoda, M cited in Bunting, M (2004) *Willing Slaves: How the Overwork Culture is Ruling Our Lives*, London: HarperCollins Publishers, p xvi

5 The non-discussed, non-negotiated contract in which each individual employee assumes how the organisation will treat them

6 Chetley, Andrew and Rob Vincent (2003) *Learning to share learning: an exploration of methods to improve and share learning*, London: Exchange Available for download from www.healthcomms.org

7 By 'new science', Wheatley means the recent developments in the fields of physics, biology and chemistry that challenge the fragmented Newtonian world view and replaces it with a holistic systems perspective

drawing heavily on quantum physics, chaos theory and evolutionary biology.