

## **Chapter 2: Organizational Learning**

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### **TRUE/FALSE**

1. Organizational learning refers to the process of creating, sharing, storing, and applying knowledge in organizations.

ANS: F

Definition of organizational learning

PTS: 1

REF: 37

2. Peter Sengalis is known as the originator of the concept of learning organizations.

ANS: F

Peter Senge

PTS: 1

REF: 37

3. If individuals in an organization learn, then the organization becomes a learning organization.

ANS: F

Individual learning is necessary but not sufficient

PTS: 1

REF: 37

4. In order to survive and develop, organizations must learn how to manage their capacity to learn and change.

ANS: T

PTS: 1

REF: 37

5. VanCity's employees have a wide array of programs available in supporting their development. In fact, VanCity will reimburse up to 100 percent of expenses should an employee decide to take a course that is not related to his/her current role.

ANS: F

50 percent only

PTS: 1

REF: 36

6. Learning organizations improve their effectiveness and attain their goals by acquiring, sharing, creating, and storing knowledge and information. They are constantly in a state of learning.

ANS: T

continuous learning

PTS: 1

REF: 38

7. Peter Senge characterized learning organizations as having five core principles. Of these five principles, mental models embody the concept of viewing the organization holistically.

ANS: F  
Systems thinking

PTS: 1                      REF: 38

8. A learning culture is best described as the norms and values an organization has toward its stakeholders.

ANS: F                      PTS: 1                      REF: 41

9. According to the Conference Board of Canada, senior management needs to be explicit in defining the type of knowledge that is important to their organizations.

ANS: T                      PTS: 1                      REF: 40

10. Tacit knowledge could be described as policies and procedures often found in a company's intranet site and procedures manuals.

ANS: F  
Explicit

PTS: 1                      REF: 42

11. Intellectual capital is an organization's knowledge, experience, relationships, process discoveries, innovations, market presence, and community influence.

ANS: T                      PTS: 1                      REF: 42

12. Intellectual capital is knowledge that may or may not have value to a company.

ANS: F  
Has value

PTS: 1                      REF: 42

13. Human capital includes elements of cognitive intelligence and emotional intelligence.

ANS: T                      PTS: 1                      REF: 43

14. Human capital includes the knowledge, skills, and abilities of employees.

ANS: T                      PTS: 1                      REF: 43

15. An example of structural capital would be a company's policy manual.

ANS: T                      PTS: 1                      REF: 43

16. Informal learning could be characterized as a standardized cross-training program.

ANS: F                      PTS: 1                      REF: 49

17. According to the Conference Board of Canada, approximately 61 percent of Canadian companies have in place procedures ensuring that knowledge is codified, stored, and freely shared amongst employees.

ANS: F  
About 31 percent

PTS: 1                      REF: 44

18. Recent advancements in technology are playing a significant role in supporting knowledge sharing within and between companies.

ANS: T                      PTS: 1                      REF: 47

19. Communities of practice are typically formed in an informal manner. For that reason, management plays no role in supporting and nourishing such communities of practice.

ANS: F                      PTS: 1                      REF: 47

20. Organizational learning can be represented with a multilevel systems model that has four levels of learning including societal, organizational, group, and individual.

ANS: F  
three levels not including societal

PTS: 1                      REF: 51

**MULTIPLE CHOICE**

1. In 2011, VanCity committed to double its expenditures in training and development. What need(s) was VanCity trying to address with this new expenditure?
- a. maximizing profits for its current members while growing its footprint as a credit union
  - b. creating a more efficient workforce
  - c. delivering on its corporate social responsibility mandate of helping create a sustainable community
  - d. strengthening its workforce capacity to enable the company to meet its objectives

ANS: D                      PTS: 1                      REF: 36                      BLM: Higher order

2. Your textbook contains the quote, “Individual learning does not guarantee organizational learning. But without it, no organizational learning occurs.” Which author said this about organizational learning?
- a. Alan Saks
  - b. Judy Shuttleworth
  - c. Josh Blair
  - d. Peter Senge

ANS: D                      PTS: 1                      REF: 37                      BLM: Remember

3. What must an organization do to become truly competitive and effective with its organizational learning initiatives?
- a. It must make a strategic shift in orientation in order to transform itself into a learning organization.
  - b. It must secure the support and commitment of all organizational stakeholders, past and present.
  - c. It must link its initiatives to the relevant sources of information and knowledge available.
  - d. It must be willing to adapt to the external environment and change its values in order to achieve its objectives.

ANS: A                      PTS: 1                      REF: 37/38                      BLM: Higher order

4. Which of the following disciplines incorporates the other four by looking at the organization holistically?
- a. personal mastery
  - b. systems thinking
  - c. mental models
  - d. building a shared mission

ANS: B                      PTS: 1                      REF: 38                      BLM: Remember

5. According to the Conference Board of Canada, what percentage of Canadian organizations do NOT consider themselves to be learning organizations, even to a moderate extent?
- a. 29 percent
  - b. 45 percent
  - c. 34 percent
  - d. 67 percent

ANS: A  
(100% -71%)

PTS: 1                      REF: 40                      BLM: Higher order

6. At D&D Automation, what is the most important input for maintaining the company's learning culture?
- a. manufacturing and technology—state of the art systems and processes
  - b. training and development—both internal and external
  - c. community involvement—supports robotics skills competitions at local high schools and co-op programs
  - d. employee empowerment—measured via annual employee engagement surveys

ANS: B                      PTS: 1                      REF: 40                      BLM: Higher order

7. Carlos, a manager at a local manufacturing firm, often changes his approach to annual performance conversations based on his understanding of what factors motivate each employee. What is Carlos demonstrating?
- a. explicit knowledge
  - b. human capital
  - c. tacit knowledge
  - d. intellectual capital

ANS: C                      PTS: 1                      REF: 42                      BLM: Higher order

8. With what category is intellectual capital grouped?
- a. organizational assets
  - b. organizational liabilities
  - c. organizational expenditures
  - d. organizational income

ANS: A                      PTS: 1                      REF: 42                      BLM: Higher order

9. Which of the following is characterized as human capital?
- a. a company's patent on a new manufacturing process
  - b. an employee's ability to create products with a zero error rate
  - c. a company's strong working relationship with a key supplier of inputs
  - d. a company's consistently high engagement score

ANS: B                      PTS: 1                      REF: 43                      BLM: Higher order

10. The intellectual capital cycle moves through four types of work. What begins the intellectual capital cycle?
- a. investments in human capital
  - b. renewal capital and structural capital
  - c. productive relationship capital
  - d. financial performance

ANS: A                      PTS: 1                      REF: 44                      BLM: Remember

11. What is a potential indicator that knowledge is being shared in an organization?
- a. problem solving becomes more complex yet, less effective
  - b. expertise is not captured and stored as explicit knowledge
  - c. unnecessary and needless staffing changes continue to take place
  - d. employees attract and obtain increased opportunities

ANS: D                      PTS: 1                      REF: 44                      BLM: Higher order

12. According to research conducted by the Conference Board of Canada, what percentage of respondents indicated that systems and structures exist within their organizations to ensure that important knowledge is coded, stored, and made available to those who need it?
- a. 11 percent
  - b. 21 percent
  - c. 31 percent
  - d. 41 percent

ANS: C                      PTS: 1                      REF: 44                      BLM: Remember

13. A senior manager in an organization asks you to describe the most important way for an organization to acquire or create new knowledge. How would you respond?
- a. brainstorming with internal and external partners
  - b. scanning the environment by leveraging internal and external means
  - c. benchmarking competitors for best practices and adopting them
  - d. using scenario forecasting to develop plans to deal with internal changes

ANS: B                      PTS: 1                      REF: 45                      BLM: Higher order

14. Who are the typical internal sources of information used in environmental scanning?
- a. employees
  - b. customers
  - c. suppliers
  - d. creditors

ANS: A                      PTS: 1                      REF: 45                      BLM: Remember

15. What estimated percentage of what employees know about their jobs is acquired via a formal process?
- a. 30 percent
  - b. 50 percent
  - c. 66 percent
  - d. 70 percent

ANS: A

PTS: 1

REF: 49

BLM: Remember

16. What are the typical characteristics of informal learning?
- a. spontaneous, immediate, and task-specific
  - b. strategic, goal-oriented, and short-term
  - c. structured, individual-focused, and unplanned
  - d. defined, organization-wide, and explicit

ANS: A

PTS: 1

REF: 49

BLM: Remember

17. Which of the following is a factor used to differentiate formal and informal learning?
- a. culture
  - b. climate
  - c. management style
  - d. process driven

ANS: D

PTS: 1

REF: 49|50

BLM: Higher order

18. According to the textbook, what are the two most-used methods for informal learning?
- a. face-to-face interactions and email communication
  - b. social networking and internet searches
  - c. structured mentoring and coaching sessions
  - d. email communications and intranet sites

ANS: D

PTS: 1

REF: 50

BLM: Remember

19. Which of the following best captures the role management can play in supporting communities of practice?
- a. provide the necessary funding
  - b. provide the infrastructure and evaluate relevance to the company
  - c. control topics, timing, and participation
  - d. ensure all communication between group members is codified

ANS: B

PTS: 1

REF: 47|48

BLM: Higher order

20. Which of the following best describes the relationship between formal and informal learning?
- a. formal learning must first occur before informal learning can take place
  - b. formal learning and informal learning share the same characteristics
  - c. formal and informal learning are not mutually exclusive
  - d. informal learning must first occur before formal learning can take place

ANS: C

PTS: 1

REF: 49|50

BLM: Higher order

21. What two benefits can be realized from communities of practice?
- a. promoting best practices, and adapting skills
  - b. driving strategy, and initiating restructuring
  - c. solving problems, and aiding in recruitment
  - d. generating new business, and improving quality

ANS: C                      PTS: 1                      REF: 47/48                      BLM: Remember

22. Which concept is defined as deeply ingrained assumptions, generalizations, or images that influence how we understand the world and how we take action?
- a. mental models
  - b. organizational culture
  - c. implicit knowledge
  - d. informal learning

ANS: A                      PTS: 1                      REF: 38                      BLM: Remember

23. Why is the concept of informal learning receiving so much attention from managers?
- a. because of the need to reduce expenditure in training and development
  - b. because of the speed of change and demographic realities
  - c. because of the level of attention the topic of informal learning has received from academics and management gurus
  - d. because it requires fewer resources and management attention

ANS: B                      PTS: 1                      REF: 49                      BLM: Higher order

24. What is an effective way to develop shared mental models?
- a. create work processes that require team involvement
  - b. remove physical barriers so as to facilitate regular contact between management and employees
  - c. develop communities of practice focused on solving specific challenges facing the organization
  - d. provide social networking sites so as to facilitate informal learning

ANS: A                      PTS: 1                      REF: 48                      BLM: Higher order

25. Knowledge was traditionally disseminated by oral traditions. What are two of the current techniques used for disseminating knowledge?
- a. virtual conference rooms and wikis
  - b. electronic bulletin boards and libraries
  - c. connected knowledge bases and professional associations
  - d. information technology and teleconferencing

ANS: B                      PTS: 1                      REF: 46                      BLM: Remember



26. What specific factor has made knowledge repositories more widespread and accessible?
- a. available technology
  - b. a more technologically savvy workforce
  - c. management's commitment to knowledge repositories
  - d. decreasing cost of managing these repositories

ANS: D                      PTS: 1                      REF: 47                      BLM: Higher order

27. According to the textbook, what is one unique method for capturing tacit knowledge that does not typically rely on computer technology?
- a. transcripts
  - b. stories
  - c. narratives
  - d. artefacts

ANS: A                      PTS: 1                      REF: 47                      BLM: Remember

28. Which of the following is typically considered a level of analysis for organizational learning?
- a. society
  - b. task
  - c. divisional
  - d. individual

ANS: D                      PTS: 1                      REF: 53                      BLM: Remember

29. What statement best describes the insights offered by a multilevel systems model of organizational learning?
- a. group learning is the most critical variable given its central role
  - b. group learning is a necessary and sufficient condition for the organization to learn
  - c. if individuals learn, then the organization must also learn
  - d. organizational learning can take place only if the group and individuals learn

ANS: D                      PTS: 1                      REF: 53                      BLM: Higher order

30. Which of the following factors are important at the group level?
- a. vision and leadership
  - b. group structure and reporting relationships
  - c. level of complexity and task interdependence
  - d. a reward system must be in place to reward individuals for learning and applying newly found skills/knowledge

ANS: C                      PTS: 1                      REF: 52                      BLM: Remember

**SHORT ANSWER**

1. Identify and briefly describe the four dimensions the Conference Board of Canada has identified as critical in creating and sustaining a learning organization.

ANS:

The four dimensions are:

- Vision/support—there is a clear vision of the organization’s strategy and goals and learning is seen as critical to their achievement;
- Culture—the culture supports learning through the sharing of knowledge and information and through continuous learning which is everyone’s responsibility;
- Learning systems/dynamics—a systems approach is applied to problem solving whereby all employees are encouraged to consider patterns of interdependency; and
- Knowledge management/infrastructure—systems and structures are in place to acquire, code, store, and distribute important information and knowledge so that those who need it can access it in a timely manner.

PTS: 1

2. Define “communities of practice,” provide an example of a community of practice, and explain their importance to organizational learning.

ANS:

“Communities of practice” are networks of people who work together and regularly share information and knowledge. Examples would include best practice teams or apprenticeships. Communities of practice are important to organizational learning because learning is social and knowledge will not be valued unless there is a shared understanding of its importance.

PTS: 1

3. Differentiate between the terms “information” and “knowledge” from the perspective of a learning organization. Provide an example for each.

ANS:

Information is plentiful and easy to acquire. Knowledge, on the other hand, is information that has been edited, put into context, and analyzed in a way that makes it meaningful and valuable to an organization.

PTS: 1

4. Briefly define “explicit knowledge” and “tacit knowledge,” and provide an example for each.

ANS:

Explicit knowledge refers to things you can buy or trade, such as copyrights or patents. An example would be the formula for Coke, Col. Sanders’s “secret recipe” for Kentucky Fried Chicken, or the Ford Motor Company blue oval.

Tacit knowledge is the wisdom that is learned from experience or insight. Examples would include things like insight, intuition, little tricks, and judgment. An example would be gifted artistic and musical abilities.

PTS: 1

5. Describe four ways in which organizations can encourage informal learning. Briefly discuss the role that informal learning plays in organizational learning.

ANS:

See The Trainer’s Notebook 2.1 on page 41.

- (1) Encourage employees to foster informal learning in organizations
- (2) Form casual discussion groups of employees with similar projects and tasks
- (3) Create meeting areas that can be used by employees to congregate and communicate
- (4) Remove physical barriers that prevent employees from communicating
- (5) Create overlaps in shifts
- (6) Create small teams with a specialized focus
- (7) Allow groups to break for their routines for team discussions
- (8) Provide autonomy to modify work processes
- (9) Eliminate barriers to communication and give employees authority to take training on themselves
- (10) Condense office space and make room for an open gathering area
- (11) Match new hires with seasoned employees

Informal means of learning such as employees teaching each other their tips and tricks for performing tasks account for more than half of all workplace learning, so it is very important that it be encouraged and supported in a systematic way.

PTS: 1

Chapter 2: Organizational Learning

6. Identify and describe barriers that may exist in an organization that impede knowledge sharing between employees. How would a manager begin to remove some of the barriers you have identified?

ANS:

- (1) Potential structure and organization design factors—reporting relationships, task design, and task complexity
  - (2) Rewards and incentives may not be congruent with knowledge sharing environments
  - (3) Organizational culture
- Etc.

(4) How would you convince a senior manager on the merits of enhancing an organization's capacity to learn? How would you leverage the multilevel systems model of organizational learning in supporting your answer?

PTS: 1