

Introduction

While innovation is widely recognised by OECD countries as an important engine of growth (OECD, 2010), the underlying approach to innovation has been changing, shifting away from models largely focused on R&D in knowledge-based globalised economies. Gaining a comprehensive understanding of how organisations build up resources for innovation has become a crucial challenge to finding new ways of supporting innovation in all areas of economic activity. In support of this widened approach to innovation analysis and policy, this report provides analytical tools and empirical results designed to open the black box of what is a learning organisation.

The literature on learning organisations is highly disparate and there is nothing like a unified definition of the “learning organisation” that has been developed by different authors in a cumulative manner. A key feature of the literature is that much of it is normative and concerned with the promotion of management tools that are designed to improve the learning capabilities of an organisation and its members.

A first objective in this report is to identify some common definitional ground in the case study and management literatures. Particular attention will be given to the way the literature treats the role of organisational culture in promoting employee learning and its relation to the use of specific HRM policies.

Another key feature of the management literature is that it is only weakly linked to an empirical research program designed to observe and measure the extent to which existing firms display the characteristics of learning organisations. While scholars such as Senge (1990) and Agyris and Schön (1978) have long maintained that organisational learning promotes creativity and innovation, there has been little effort to develop indicators of the learning organisation that could be measured with survey data and used to test different hypotheses about their behaviour. Drawing on a series of papers by Lorenz and his co-authors (Lorentz and Valeyre, 2005; Valeyre *et al.*, 2007; Holms *et al.*, 2009), a second aim of the report will be to present empirical evidence on the spread and characteristics of learning organisations at a national and EU-wide level. The discussion includes an assessment of the role of learning cultures in the development of learning organisations, an analysis of the relation between the frequency of learning organisations and national innovation performance, an analysis of the relation between learning organisations and the national institutional context, including the education and training system and the structure of labour markets, and a preliminary comparison of employee learning in public and private sector organisations.

Another important aspect is longitudinal. How are the characteristics of work and learning evolving over time? Greenan, Kalugina and Walkowiak (2007, 2010), using the common questions in three waves of the European Working Condition Survey (EWCS) (1995, 2000 and 2005) in a multilevel analysis find a decreasing pattern in the EU15 average evolution of work characteristics that are conducive to high learning opportunities (complex tasks, autonomy, problem solving and learning). They label it the “work complexity paradox”: the increasing level of education, the growing experience of an ageing workforce, the shifts in sector and occupation shares and the diffusion of computers should drive the expansion of jobs with complex tasks, high discretion and learning, but this is not what is observed in the data. A *third objective* of this report is to uncover this work complexity paradox, searching in the literature for the reasons that may explain the negative trend in work complexity: growing standardisation, job polarisation, organisational change and skill mismatch are possible culprits.

In globalised advanced economies, growth and innovation should translate into increased work complexity, which is an important component of learning organisations. Thus, the connection between the learning activities of employees in their tasks, the dynamic capabilities of the organisations and the propensity to innovate needs to be investigated thoroughly. This will be a *fourth objective* of the report. We will try to address it by focusing first on the trade-offs that employers face when they decide to make new strategic decisions implying some changes in work methods, organisational structure, products or processes. We will then consider what happens on the employee side when employers innovate. We will carefully scrutinise empirical results based on innovation surveys and on linked employer/employee datasets. Is it possible to identify management practices that lead to higher innovation performance levels? What kind of work organisations fosters a culture of innovative behaviour and creativity? Do incentives to innovate matter? Empirical studies from the economic, the industrial relations and the psycho-sociology fields will be reviewed.

Finally, this report identifies metrics and survey methods that are most promising to capture differences in the capacities of organisations to adapt and compete through learning across countries.

References

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