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Organizational learning orientation: how can it foster alliance relationships?

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Abstract

Purpose – The purpose of this paper is to examine the importance of an organization's learning orientation in developing alliance relationships.

Design/methodology/approach – The paper is based on research conducted on organizations involved in alliances as well as practical evidence.

Findings – The paper finds that alliance managers need to focus on developing learning capabilities within their organizations to achieve superior alliance performance.

Practical implications – The paper has practical implications for managers involved in alliances as it shows the importance of an organization focusing on learning. With the relatively small number of alliance relationships that succeed, it is important that managers harness their organization's learning potential in the context of an alliance.

Originality/value – The paper is unique as it highlights the importance of an organization's learning orientation in an alliance context.

Keyword(s):
Learning organizations; Benefits.

Introduction

The increasingly competitive business environment has meant that businesses throughout the world are focusing on learning as a competence that can distinguish them from their competitors. The aim of this article is to examine firstly the importance of learning organizations and then to discuss the role an organization's learning orientation has in fostering alliance relationships.

There has been a shift in organizations to create a learning organization in which productivity and effectiveness can be enhanced. Learning organizations are those in which people are continually expanding their existing knowledge base to nurture new ways of thinking. Garvin (1993, p. 80) defines a learning organization as “an organization skilled at creating, acquiring, and transferring knowledge, and at modifying its behaviour to reflect new knowledge and insights”. The concept of a learning organization in practice is difficult to measure, as a quantitative measure of all learning that occurs in an organization is not readily available. Hence, it is better to use an indirect estimate through analysing an organization's willingness to generate organizational learning. This is referred to as a “learning orientation” and an organization with a high learning orientation will have a culture of questioning knowledge.

Learning orientation

Learning orientation represents a core dimension in organizational learning. Hence, the attitude an organization has towards the necessity of learning is its learning orientation and this is reflected in values routinely associated with learning. Learning orientation reflects the degree to which an organization places a value on learning for long-term benefits. This learning orientation incorporates
the questioning of organizational norms that impact on organizational strategies. Thus, a learning orientation is demonstrated by the extent to which an organization values the utilisation of knowledge through its acquisition, improvement and transfer.

Learning orientation is an organizational characteristic that affects how information is processed. To have a strong learning orientation, an organization needs to have a managerial structure that supports and incorporates organizational members in the learning process. For busy managers, creating an organizational culture that places importance on learning is integral to achieving business success. Organizations that have a strong learning orientation have the ability to understand the cause and effects of their actions. However, having a learning orientation is similar to an organization having a strong focus on the market through their market orientation. Therefore, organizational learning goes beyond having a market orientation in which information is collected and disseminated. Thus, a market orientation reflects knowledge producing behaviours whilst a learning orientation reflects knowledge questioning values. Hence, it is important in an organization for managers to focus on a commitment to learning, a shared vision and an open-mindedness that can create a learning organization. More importantly, the sharing of knowledge within an organization can help an organization develop its alliance relationships.

Managing alliances

Managing alliances is a challenge and it is important for managers to have a clear view of the learning activities involved. Indeed, recent research by Ernst and Bamford (2005) suggests that by changing one alliance an organization can increase their revenue by between US$100-200 million a year. As managers have limited knowledge on what makes an alliance successful, it is important for them to pay more attention to achieving successful cooperation through implementing changes as an alliance evolves. Alliances provide a legitimate way through which organizations can learn and have become increasingly popular due to changing market conditions and increased global competition. However, as learning is of critical importance to organizations in alliances, managers need to focus on maximizing learning opportunities. Indeed, the importance for managers of learning in alliances is highlighted by Zineldin and Dodourova (2005, p. 460) stating “the failure rate of strategic alliances is projected to be as high as 70 percent”. Thus, organizations involved in alliances perform better when knowledge is shared and managers stress interpersonal relationships. Moreover, for performance benefits to occur through alliance learning, the learning that occurs needs to be captured, deployed and interpreted inside an organization. Therefore, managers need to internalise the learning within the organization and apply it to other activities in which the organization is involved. Hence, managers need to consider learning as an explicit objective to ensure they capitalize on the long term learning benefits of developing alliances.

References


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