



PIDM's Learning Organisation Journey

*ARTICLE BY PERBADANAN INSURANS
DEPOSIT MALAYSIA*

Jack Welch of General Electric, said, “an organization's ability to learn, and translate that learning into action rapidly, is the ultimate competitive advantage”. Today's world pressures us to process information quicker, to make faster and better decisions. When things change, we must quickly adapt and respond. How does an “organisation” learn? Why aim to be a “learning organisation”?

Our conclusion is that different organisations could well have diverging reasons – and in fact, different views on a “learning organisation”. Since 2016, PIDM has embarked on this journey. This article touches on what PIDM has done thus far. It also attempts to elucidate what it means to us, and our key challenges when trying to marry theory and practicality as we pursue this mission.

Challenge #1 - articulating what it means

The term a 'learning organisation', as alluded to in the research of Peter Senge,¹ talks about implementing its 5 disciplines, all of which work together. When first introduced, Senge's discourse and theories received short shrift among employees. Senge himself stated, insightfully, "Most people's eyes glaze over if you talk to them about learning or learning organisations."²

To set off on the journey, we decided to communicate differently. We needed to appeal to existing mental models (i.e., employees' thought processes about how things work in the real world). To make the concept of learning organisation palatable, we went about "... substituting simple concepts for many details".³

So, a position of a learning officer was created, in the CEO's office, to signify its importance. The learning officer found a simple definition of the learning organisation (LO). Professor David A. Garvin, from the Harvard Business School, defines a learning organisation as one which is "skilled at creating, acquiring, and transferring knowledge, and at modifying its behaviour to reflect new knowledge and insights."⁴

Along these lines, an LO framework was established, and a group of 'champions' across the organisation was formed. As recommended by Garvin, this framework contemplates (1) a supportive learning environment, (2) integrating learning into every day processes and practices; and (3) working on leaders to inculcate a 'continuously learning' and an 'always improving' mindset.

Challenge #2- Working on psychological safety

A supporting learning environment is an environment that nurtures the appreciation of differences and openness to new ideas, allows reflection, and promotes psychological safety. The concept of psychological safety gained some popularity when a 2016 New York Times magazine article⁵ outlined a study by Google, which revealed that their highest performing teams were primarily based on psychological safety i.e., the ability of team members to feel safe, take risks, and be vulnerable among each another.

Psychological safety is likely to be a challenge, especially in societies with high power-distance indices, like ours.⁶ A typical dynamic of a low psychological safety environment might be where senior people dominate, deference is given to titles, differences in opinions are rarely aired. There is reticence to speak up, ask questions, acknowledge mistakes. Two-way feedback is avoided. Employees do not know each other at a personal level.

Since PIDM's LO journey began, a number of measures have been taken to break down barriers among employees including senior management. Opportunities are created to interact across levels, for team bonding across positions and divisions, sometimes with a specific cause, for example, for charity. Employees could orate and share views through various platforms, such as the regular "PIDM Talk" or join the "Toastmasters Club". Employees at any level can share their expertise through knowledge sharing sessions. Regular maturity level surveys, for psychological safety, are carried out to keep a finger on that pulse.

The second pillar of the LO framework - embedding learning processes and practices that support learning - is less of a challenge in a structured organisation. We have since implemented the 'after action review' as a practice for all key projects. This is an important knowledge management tool. We also aim to capture tacit knowledge. The key to the effectiveness of these processes, however, turn on the environment of psychological safety.

Challenge #3 - Shifting the dial to a long term outlook

For PIDM, beyond formal training, learning is encouraged in as many ways as possible. For example, from inception in 2005, since deposit insurance was as a new endeavour in Malaysia, PIDM has adopted a learning attitude. As a member of the International Association of Deposit Insurers, it is able to learn from the experiences of other jurisdictions, acquire knowledge, adapting however this knowledge to local circumstances. Its statutory mandate – to protect financial consumers against financial institution failures - also requires that it must continually simulate "what if" scenarios. The learnings from those sessions, must be acquired, captured and transferred, if we to be able to be at all times ready to respond in a failure.

Clearly, learning is highly valued in our organisation – PIDM's intellectual capital is essential to its survival. Over the short term, to learn is a 'must' in the culture of any organisation that has to be ready to operate and make decisions under pressured and uncertain circumstances. Since 2016, we have started to implement systems and processes to support knowledge creation, acquisition and transfer into our daily operations. Coupled with an environment that encourages ideas, the acquisition and capture of knowledge, this can help support greater productivity and success. At this juncture, PIDM is really only at a foundation-building stage. It is not yet near the state it aspires to be as a learning organisation. And many so-called 'learning organisations' with the many trappings of formal learning, are stopped in their tracks (General Electric, for example) when they stopped regarding collective learning as a way of life.

Taking a long term perspective, we must ask ourselves, what is the vision for a learning organisation? Is it competition? Is it survival? Or is it, as Senge proffers, our ability, as a collective whole, to continually re-create ourselves? We believe it is the latter. Many paths – open minds, ways of thinking better, ways of thinking and learning collectively, sharing of visions – remain not travelled. Much remains to be done before the "whole can exceed the sum of its part"⁷ and regenerate itself. But the wheels have been set in motion and the plan is for PIDM's 'collective brain' to be always evolving.

¹ The Fifth Discipline: The Art and Practice of The Learning Organization (1990), Peter Senge

² Ibid, page 13

³ Ibid, page 178

⁴ David A. Garvin, 'Building a Learning Organization', Harvard Business Review, July - August 1993.

⁵ Charles Duhigg, 'What Google Learned from its Quest to Build the Perfect Team', New York Times Magazine, 2016.

⁶ "Level of acceptance of people, who have no power, of the unequal spread of power in their society."

⁷ Ibid, page 12