

“SUCCESS IS THE ENEMY OF EXPERIMENTATION”**Sri Hidayati**

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Email: srieenci77@yahoo.com***Abstract:***

In a competitive world, the raising demands to perform good governance are urgency. Learning is essential requirement to organisation to sustain existence and get success. However, success sometimes defined differently by different people. Success which is defined as stability more likely would impede the experimentation (a learning process). By using the perspective of organization culture, this paper tries to assess and contextualize the claim from Levitt and March (1988) that “Success is the Enemy of Experimentation” to organizational learning. This paper is provided by an empirical case study of a university based research organisation and is try to contribute to a more complete understanding of organizational learning.

Keywords: *organization, learning, organizational learning, experiment, innovation, success.*

I. Introduction

Rapid shifting environment requires contemporary organization to learn better and faster to survive. Learning is a fundamental requirement for all organization to sustain existence, and the need to innovate/do experiment in an organization is a certainty. However, the ability to do it is not as easy as the plan that has been created. Some obstacles may come from the inner organization itself as well as from factors outside the organization. Bolman & Deal (2003, p. 27) states that an organization filled with complexity, surprise, deception and ambiguity makes it hard [to learn] and to extract lessons for future action. But Levitt and March (1988) also claim that success is the enemy of experimentation, in which experimentation is part of learning process. How can success constraint experimentation in organization, and what is its relevance with organizational learning. Although it is the old claim of Levitt and March, It is still interesting to scrutinize the above claim because we might not realize that success could be something impeded rather than challenged. This paper therefore will discuss the concept of success and experimentation and organizational learning process from the perspective of organizational culture. A case study for this essay will be presented by a university based-research organisation.

Conceptual Framework**The Concept of Success**

There are different assumptions about success. Organizational success according to Mintzberg (1987), is ‘craft strategy’, as ‘they continually learn about shifting business

conditions and balance what is desired and what is possible' (cited in Senge, 1990, p.11). While Levitt & March (1988) defined success is the term of the relation between performance outcomes and target'. Target, however change overtime in two ways. First, the indicator of success are modified; in accounting and social policy. Second, levels of aspiration with respect to any particular indicator change (Levitt & March, 1988, p.325). The most common assumption of target is a function of some kind of moving average of past achievement, the gap between the past achievement and the past target or the rate of change of either (Lant, 1987 in Levitt & March, 1988).

However, success sometimes defined differently by different people in organization. Different group in organization often have different target and evaluate the same outcome differently. Hedberg says new organizational leaders are inclined to define previous outcome more negatively than are the leaders who preceded them. As a result, evaluations of outcomes are likely to be more negative or mixed in organization than they are in individuals (Levitt & March, 1988, p.325).

Different with above conception on success, I would happy to say success as the capacity to put forward a good image, and keeping up the stability. It means that there are no significant conflicts emerge to affect the organization activities and individual's emotions. Furthermore, an organization has also success when it stifles inside conflict, thus no one outside the organization knows conflict has happened in the organization which can decrease the prestige of organization. Stability in organizations which perceived as less conflict happening in organizations may indicated that people who have power has success to control the organization. Success in maintaining stability could increases the high level of reliability of people who have control in organizations. As Levinthal & March argue that; 'Success tends to launch managers associated with it into positions of power within the organization... Organizational power associated with past successes tends to linger' (Levinthal & March, 1999, p. 200).

Staw and Ross (1978, cited in Levit & March, 1988) states that individual decision makers [a leader/manager] often seem to be able to reinterpret their objectives or the outcomes in such away as to make themselves successful even when the shortfall seems quite large. Relevant to this, claim of success often used to tighten someone's position, power and status quo.

The Concept of Experiment (Learning)

In some research such as held by Simon and Tsang, experimentation is mentioned by a different name such as innovation, research and experience. However, the entire name is linked with learning activities. Learning which is proposed to gain information or knowledge

has some mechanisms, and experimentation is one of its mechanisms. According to Huber (1991) experimental learning is one of processes of acquiring information and knowledge through direct experience.

There are many interpretations of the concept of learning. In general, learning is usually associated with the change of performance and outcomes. 'Organizational learning refers to experience-based improvement in organization task performance' (Argyris & Schon, 1978, p. 323, cited in Tsang, 1997, p. 78). Arrow points out that learning, for industrial economists, is understood to affect productivity (1962, cited in Dogson, 1993, p. 375). Transferring new information or knowledge in the learning process will lead to changing behavior at work to more positive aspects. Increasing productivity in work is one of changing behaviors caused by the learning process.

However, Cook and Yanow (1993) have a different opinion, that 'learning does not always improve organizational performance'. They argue that improvement happens when there is accuracy in obtaining knowledge. Furthermore, Sandelands and Drazin note that learning is 'an achievement verb'(cited in Weick and Westley, 1996, p.441). This means that learning not only refers to outcomes but also to process_(Weick and Westley, 1996, p.441). Hence, when learning involves process, it will lead to change, which then will create a new environment (Hedberg,1981, p.5). Learning process could be associated with organization dynamic. Dynamic could be understood as something that always moved. Thus, learning in organization is a process that brings to the movement of organization in the matter of knowledge adoption and adaptation. Hence, an organization will adopt new knowledge by replacing existing knowledge.

In the relation to learning with changing of behavior, Huber has a different opinion. He argues that 'learning need not result in observable changes in behavior'(1991, p.89). This means that new insight and awareness might result in learning, but not in the form of behavior changes. Learning will also bring knowledge to the construction of systems and structures. So when learning leads to change, the change may/will happen in the structure and system of the organization. This supports Bennett's (2003) contention that learning is defined as 'a process by which knowledge is constructed' (cited in Tsang, 1997, p. 54).

The Concept of Organizational Learning

Along with the number issues emerge in organization topic, organization learning is one issue/topic that has gained a lot of attention. The term organizational learning is used interchangeably with the term learning organization (Tsang, 1997, p. 74). The concept of organizational learning according to Tsang (1997) 'is used to describe certain types of activity that take place in an organization refers to a particular type of organization in and of itself'

(p. 75). While, 'a learning organization is one which is good at organizational learning' (Tsang, 1997, p. 75). Since 'the concept of organizational learning is complex and multidimensional' (Tsang, 1997, p. 75), it is best to see each definition of organization and learning. In the following, I will only define organizations and organization learning because we have already discussed much about learning definition.

In common perception, an organization is defined as a collection of people who have the same interest and goal, and together are determined to bring about the goal. It has different name such as firm, association, company. Another view of organization is; 'organizations are best viewed as a system of interrelated roles' (Simon, 1991, p. 126). Further, Simon's definition of roles is;

Roles are a system of prescribed decision premises. Roles tell organization members how to reason about the problems and decisions that face them: where to look for appropriate and legitimate informational premises and goal (evaluate) premises, and what techniques to use in processing these premises. (Simon, 1991, pp. 126-127).

In organizational learning, role is critically linked to leadership. The role of leadership is understood by Senge (1990) as having 'antecedent in the ways leaders have contributed to building organizations in the past [which] having meaning to demands of new skills and tools' (p. 10).

The word learning in organizational learning is understood as 'a live metaphor' (Tsoukas, 1991, cited in Tsang, 1997, p. 75). Kim (2006) argues that 'organizational learning as metaphor derived from our understanding of individual learning', Cook and Yanow (1993) argue organizations can learn because they possess capacities that are identical or equivalent to capacities of individuals to learn (p.374). By this, organizations learn as if they were individuals. In line with Cook and Yanow, Simon (1991) says that 'an important component of organizational learning is internal learning-that is, transmission of information from one organizational member or group of members to another' (p. 125). Thus, an organization is learning via their individual members. Simon (1991) adds that this can be by the learning of its members, or by ingesting new members who is considered have knowledge that needed by organization. Such 'ingestion' can be in the form of turnover the staff and bring in an interventionist into organizations. Further Simon add that this 'is sometimes considered a process that facilitates organizational innovation - getting out of the current rut' (1991, p. 127).

However, some agreement exist that distinction must be made between individual and organizational learning. Though individual learning is important to organizational learning is not simply the sum of each member's learning. Unlike individuals, organizations according to Fiol & Lyles (1985) develop and maintain learning systems that not only influence their

immediate members, but are then transmitted to others by way of organizations histories and norms (p.804). Hedberg states that organizations do not have brains, they have cognitive systems and memories. As individuals develop their personalities, personal habits and belief overtime, organizations develop world views and ideologies. Members come and go, and leadership change. But organization memories preserves certain behaviours, mental maps, norms, and values overtime (Hedberg, 1981, in Fiol and Lyes, 1985, p. 804).

Fiol & Lyes (1985) categorise four context factors that enable organizations to learn; culture, strategy, structure and environment, and give a definition of organizational learning that can be classified into three perspectives; cultural, cognitive, and behavior changes. In the cultural perspectives organizational learning is defined as;

The acquiring, sustaining, or changing of inter-subjective meaning through the artifactual vehicles of their expression and transmission and (through) the collective action of the group (Cook & Yanow, 1993, cited in Tsang, 1997, p. 76).

Learning according to Weick and Westley (1996) is inherent in culture so it is easier to talk about learning in organizations when the organization itself is conceptualized as culture. Hence, the focus of learning is more on 'what goes on in the practices of groups' (Weick and Westley, 1996, p.442). Further, Huber (1991) points out four constructs that are integrally linked with organizational learning; knowledge acquisition, information distribution, information interpretation, and organizational memory.

The cognitive aspect according to Tsang (1997) 'is generally concerned with knowledge, understanding and insight'. In line with Tsang, Shrivastava (1981) says organizational learning in the cognitive perspective 'refers to the process by which the organizational knowledge base is developed and shaped' (cited in Tsang, 1997, p.76). Then learning itself is asserted by Bennett (2003) as 'a process by which knowledge is constructed' (p. 54).

In the perspectives of behavior change, definitions of organizational learning need to be viewed from actual and potential behavior (Tsang, 1997, p. 75). In line with Tsang, who defines organizational learning from the perspective of potential behavior change, is Huber (1991) who sees it as 'an entity? learns if, through its processing of information, the range of its potential behaviors is changed'. Further from the behavioral perspective, Levitt and March (1988) say that 'Interpretations on organizational learning build on three classical observations drawn from behavioral studies of organizations; routines, history dependent, and target' (Levitt & March, 1988, p. 320). Then they explain that 'organizations are seen as learning by encoding inferences from history into routines that guide behavior' (p. 320).

Different with above conception on organizational learning, Robinson viewed organizational learning as problem solving rather than as a process of adaptation or change. Learning in organizations may be motivated by attempts to improve organizational performance in the form of productivity and efficiency. However, in practice it may lead to conflict, which brings dilemma. Dilemmas faced by a successful organization might be because of difficulty to understand the meaning of learning in organizations. Chris Argyris (1991) illustrates two dilemmas faced by a successful organization related to learning as; success in the market place increasingly depends on learning, yet most people do not know how to learn'. Moreover, those members of the organization that may assume to be the best at learning (well educated, high powered, high commitment professionals who occupy leadership positions) are, in fact, not very good at it. (Argyris, 1991, p. 99).

Beside those dilemmas, Michael A. Diamond (1986) says that the problem impeding learning in successful organizations is embarrassment caused by failure after learning. As consequences, people tend to use defensive techniques and adaptive tendencies to avoid disappointment and feeling shame. Defensive technique in organization especially intended to protect the status quo (success) for having embarrassment and to avoid instability in organizations caused by embarrassment.

Context

I now to draw upon my experience dealing with a university based research organization in which they want to innovate along some dimensions of the management system. This organization was founded by a few people. In the first years, the organization running halting. Although the center is under the auspices of University, there are no subsidy from university funding allocation to the organization. All people have to work voluntarily. The recruitment process of staff mostly in the basis of friendship relations. The organization then develop values of friendship as the organizational culture and trust is developed especially among fellow founder. Thus, in the next stage of its development, friendship relations have great influence in the policy and decision making in organization. By maintaining this culture they claim that organization has been successfully maintaining stability among people in organization, especially the fellow founder. The organization decision making is under the fellow founder authority. But demands to do transparency in financial matter are high from people outside the circle of fellow founder.

One day there is information that will be the examination from the State Audit Agency (BPK) for all semi-autonomous institutions under the university environment. Because of these demands and in order to get a good assessment the organization eventually planned improvement in all organizations administration system, especially financial.

Attempts to innovate were carried out by bringing in an interventionist into the organization to institute change. The interventionist is someone who is regarded as having capability in the matter of financial systems. The person would help the organization to develop a more professional financial system by inserting new finance technology in the system, which had previously been a simplistic system. Adopting new system means changing the old to new system which is sometimes has to change the people as well. The new system needs someone with good capabilities and acknowledges well the system. It would be hard to rely on to the old staff to learn because the system is too advanced and it would spend more time and costly. By this case, the management have to replace existing finance staff with someone with criteria above.

However, finance previously has aspects that are confidential to the organization. It has full of mystery that only known by the people in top management and finance staff. People who are permitted to access finance are those who were acknowledged as having a commitment towards organization and more precisely to the people in management on top. Both the interventionist and the new staff of finance could not be tested on their commitment towards the organization. Therefore, the organization decided to give only limited authority concerning finance to the interventionist and the new staff. While the more confidential information continued to be held by the old staff member, although with limited capacity. Thus, the interventionist and the new staff had no access to gain the whole information, because the information concerning the full financial data was not given.

It was stored both in the computer and written papers in old staff achieves, and also in the heads or memories of old staff. In the case of the interventionist and the new staff, both have to learn about the old system before going on to develop the new system. They then have to adopt the new system to the old system effectively. That is essentially what is involved when organizations, already formed, ingest new members from an alien culture (Simon, 1991, p. 132).

Discussion

The case shown above indicated the ambivalence attitude of organization. On the one hand, the organization wanted to improve the finance system, and on the other hand, the organization hesitated to give responsibility to the interventionist and the new staff because of it being related to confidentiality and commitment. Chris Argyris conception on commitment gives a clear understanding of what is commitment. According to Chris Argyris commitment in an organization divided into two; external and internal. External commitment is what organization gets when workers have little control over their

destinies.....Internal commitment is participatory and very closely allied with empowerment (Chris Argyris, 1998).

According to Argyris's conception, the new staff and the interventionist only had external commitment, while the old staff has had the internal commitment. The staffs that were acknowledged to have internal commitment had wide access to know the confidential business of the organization. In addition, because much of organization memory was stored in human heads, the organization would experience difficulty in accessing the old data if the position of finance was held by the new staff, while the old personnel already did not have responsibility or might not want to again be responsible concerning the problem of finance. Old personal in this case have no power anymore concerning finance. As noted by Chris Argyris; 'It is a fundamental truth of human nature and psychology that the less power people have to shape their lives, the less commitment they will have (Argyris, 1998, p.99). Organizational memory has a great meaning for the example organization. Hence, 'turnover of personnel is a great enemy of long term organizational memory' (Simon, 1991, p128).

But above all, the most fundamental problem was not merely about the commitment, but the decision that was made especially to avoid old staff from embarrassment. The financial system in the example organization was developed as a simple system and was handled by a person who did not have competence in the nature of finance. The learning process and turnover then made the old staff feel shame because the interventionist and the new staff may find many mistakes in the old system with regard to the organizational financial transparency. Embarrassment of the old finance staff may lead to a defensive attitude, in which they will argue that the mistakes did not come from their incompetence, but because of the organizational policy about finance. As noted by Argyris (1990) 'Defensive reasoning can block learning even when the individual commitment to it is high'. Before Argyris, Diamond also said that defensive 'and adaptive tendencies usually protect the status quo and, therefore, block learning' (Diamond, 1986, p. 544).

The old staff for a long time had included a person who sat in the management team. Therefore, they had the authority to determine the policy in the organization, including finance. Policy including finance policy that is made by the organisation has to consider the people in the status quo. Therefore, the action that caused embarrassed feelings had to be avoided.

In the interests of a designing a social system for optimal control of subordinates and maintenance of the status quo, bureaucratic arrangements reinforce human tendencies to avoid the anxiety of conflict and change (Diamond, 1986, p.549).

In addition, the decision on limitation of authority of new staff in the finance system was to keep the organization stability. People who sat in the management team were

regarded as organizational founders, and they built the organization behavior with a culture of friendship relations. Emotions in the organization that were developed on the basis of friendship will create dilemmas. Hence, when one position is disrupted then it will disrupt the other positions. Therefore, people in the management team will not to awake and disturb others position in order to maintain its own position.

When people in organization focus only on their position, they have little sense of responsibility for the result produced when all positions interact. Moreover, when results are disappointing, it can be very difficult to know why. All you can do is assume that someone screwed up (Senge, 1990, p.19).

In this case, the role of a leader is critical, because a leader is a person who has authority to make decision in an organization. But when learning in an organization sometimes appears in the form of hierarchy (Easterby-Smith.M., 1977), then the argumentation that emerges is the initiative for learning must come from above, not from beneath. As Gronn argues; "There is the assumption that knowledge is concentrated at the top of the organizational hierarchy and that it 'flows downhill' (Gronn, 1994, cited in Lakomski, 1995, p. 211).

In connection with this matter, the culture of learning is sometimes adjusted to the organization culture. In the culture shown by the example organization, the role of the leader becomes small. Leader has to adjust his decisions in accordance with the fellow founder aspirations. Because success is defined as stability to keep away conflict among them, the leader has to keep away the old finance staff from deep embarrassment. By this case, learning has bring the leaders to dilemma. Therefore, there was too much tolerance towards the old staff. As consequences, the learning which was intended to improve the organizational performance in its financial system has never been done optimally.

Conclusion

Along the way, I have discussed the meaning of success, learning and organizational learning. I have remarked on how learning may be useful for improving the organization's performance. But, the learning process in an organization can be impeded by the difficulty of the organization in dealing with its success. The assumption that learning is only 'problem solving' caused the organization to have a wrong perception for dealing with learning. Whereas, the organization difficulty in dealing with its own success and achievement, which was then regarded as stability and maintaining the status quo, has blocked the learning process in the organization. Therefore, from the perspective of the culture of organizational learning, the new staff and interventionist had to face the culture which already existed which had formed the status quo.

The last, I argue that the claim of Levitt & March (1988) might be correct, for a number of reasons. First, success can be defined as a status quo. The nature of people in status quo is usually resistance to change because they want to maintain the position and control. Learning or experimentation are regarded as risky, individuals could lose control. Second, success may be defined as stability, in which an organization is basically in a 'well' condition, but then because the nature of learning is to construct the system, organization then resists to change. However, I also argue that success can be a motivation to an organization to innovate. Success and experiment are two matters that are connected with each other. Organizational learning basically is to gain more success for the organization

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