

LEARNING ORGANISATIONS

Organisational Learning Theory

Argyris & Schön · Senge · Garvin · March

PAPER 01 / 02

A Furtherance reference compendium on the intellectual traditions behind organisational design, leadership, execution, and culture.

IN THIS PAPER

This paper opens the Learning Organisations series in Furtherance's reference library. It covers the theory of how organisations learn – or fail to. The question it answers: what does it actually mean for an organisation to learn, and why is it so hard?

Argyris and Schön expose the gap between what organisations say and do, and the difference between fixing errors and questioning assumptions. Senge names the disciplines of a learning organisation. Garvin makes learning concrete and measurable. March identifies the deepest trade-off of all: exploring the new versus exploiting the known.

Chris Argyris & Donald Schön *Organizational Learning*, 1978

Action science · single- and double-loop learning

CORE THESIS

People and organisations act on **theories of action**, and there is usually a gap between the **espoused theory** (what we say we do) and the **theory-in-use** (what we actually do). Real learning requires **double-loop** learning – questioning the governing assumptions – not just **single-loop** correction within them.

FRAMEWORK

Concept	Meaning
Espoused theory vs theory-in-use	The gap between stated and actual behaviour
Single-loop learning	Fix the error within existing goals and rules
Double-loop learning	Question the goals and assumptions themselves
Defensive routines	Habits that protect us from threat – and block learning

METHODOLOGY

Action science – intervention-based research surfacing the reasoning behind real behaviour.

SIGNIFICANCE AND CRITIQUE

The single- versus double-loop distinction is foundational and enduring. The critique: double-loop learning is genuinely hard to achieve, and the theory is demanding and abstract.

Peter Senge *The Fifth Discipline*, 1990

The learning organisation · five disciplines

CORE THESIS

A **learning organisation** continually expands its capacity to create its future by mastering five disciplines. The fifth – **systems thinking** – integrates the other four, letting an organisation see patterns and structures rather than isolated events.

FRAMEWORK

Discipline	What it develops
Personal mastery	Individual clarity of purpose and reality
Mental models	Surfacing and testing our assumptions
Shared vision	A genuinely common picture of the future
Team learning	Thinking together through dialogue
Systems thinking	Seeing the whole and its structures – the fifth discipline

METHODOLOGY

A synthesis drawing on systems dynamics and organisational practice.

SIGNIFICANCE AND CRITIQUE

The book that popularised the learning organisation worldwide. The critique: the ideal is aspirational and hard to operationalise or measure, with few rigorous tests.

David Garvin *Learning in Action, 2000*

The learning organisation · made concrete

CORE THESIS

Garvin made the learning organisation **practical and measurable**: one that is skilled at creating, acquiring, interpreting, transferring and retaining knowledge – and at changing behaviour on the strength of it. Learning is a set of concrete processes, not a mood.

FRAMEWORK

Building block	What it requires
A supportive environment	Psychological safety, openness to new ideas, time to reflect
Concrete learning processes	Experimentation, analysis, after-action review, transfer
Reinforcing leadership	Leaders who question, listen and model learning

METHODOLOGY

Field research translated into a diagnostic survey of learning capability.

SIGNIFICANCE AND CRITIQUE

Turned Senge's aspiration into something an organisation can assess and build. The critique: the framework is comprehensive but still complex to apply fully.

James March *Exploration and Exploitation, 1991*

Behavioural theory · the fundamental trade-off

CORE THESIS

Organisations must balance **exploration** (search, variation, experimentation, new possibilities) against **exploitation** (refinement, efficiency, execution of the known). The two compete for scarce resources, and exploitation's returns are nearer and surer – so organisations tend to under-explore and fall into competency traps.

FRAMEWORK

Mode	Character	Risk
Exploration	New options, search, variation	Costly; uncertain, distant returns
Exploitation	Refine and execute the known	Short-term wins; long-term obsolescence

March also warned of the **myopia of learning** – learning from small samples, superstitious inference, and success that quietly narrows an organisation's repertoire.

METHODOLOGY

Behavioural theory of the firm and formal modelling of adaptive systems.

SIGNIFICANCE AND CRITIQUE

Exploration versus exploitation is one of the most influential ideas in management, underpinning work on ambidexterity and innovation. The critique: the framing is abstract, and the right balance is notoriously hard to strike.

Synthesis

Theorist	Focus	Key idea	Register
Argyris & Schön	How learning is blocked	Single- vs double-loop	Foundational theory
Senge	The learning organisation	Five disciplines	Popular synthesis
Garvin	Making learning concrete	Building blocks; diagnostic	Practical
March	The core trade-off	Exploration vs exploitation	Rigorous theory

FOR THE OPERATOR

Organisational learning runs from surfacing the gap between espoused theory and practice and enabling double-loop learning (Argyris & Schön), through the five disciplines of the learning organisation (Senge), to a concrete, measurable definition (Garvin), and the fundamental trade-off between exploration and exploitation (March). For the operator: learning means questioning governing assumptions, building deliberate learning processes, and consciously balancing today's model against tomorrow's. The next paper turns to how knowledge is actually created and shared.