

# MANAGING THE LEARNING ORGANIZATIONS

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**Abstract:** *In today's business environment, characterized by uncertainty, it is more difficult to manage organizations. The goal of this paper is to show that without investing in a symbiosis of knowledge, research and business there is no progress. The task of modern management is to create organizations that will be teaching through the process through its life cycle. In the long term, success only those who are willing to innovate, to experiment and are responsible for new ideas will be successful. Retention at a high level, a strong corporate culture, steady growth, in a word and stability ahead of the competition, will achieve only one organization, with management at the helm, which places an emphasis on knowledge economy, new ways of managing and building relationships. Such a management knows the value of the organization makes potential employees, and it will be used only if employees are motivated to do so.*

**Keywords:** *management, learning organization, knowledge, innovation, masterful*

## 1. INTRODUCTION

The main characteristic of the natural and social order is that they are in a constant process of change. Once established the state remains so briefly, rapidly changing and there is establishment of a new qualitative state, which again, as before, is briefly retained. And so on. People, with their innate ability were creating, create and will create the processes of transformation, using all its available resources, with the aim of mastering the order that is constantly changing. These constant changes make market competition "sharper" since the "goal of each company is to attract new costumers to its products and to keep the old ones... For a company it is essential to survive in the market, i.e. to be faster and better than the competition."<sup>1</sup>

In order for management of a company adequately answer the challenges of modern business, such as the struggle for markets, shortening product life cycle, rapid technical change, etc., it must be innovative. It has to improve employee management skills to make them successful employees, satisfied with their job and motivated to work. That is, it must create a working environment in which to initiate, support activities and behavior of employees, which leads to constant learning, knowledge sharing and personal development. Only in that, way the productivity will increase, and they will respond to consumer demands. In these organizations are always moving forward, in the sense that they are not satisfied with achieved goals.

The foregoing shows that good actors in a competitive battle, on the market will be those who have gained more knowledge and skills, i.e. those who are curious, with "pioneering spirit" and who have the desire for knowledge that will encourage them to discover and use the professional secrecy in the exercise of champion (masterful) results. Top results are looking for the top managers. These are the managers who are open and curious, who are experts in the implementation of ideas through the work of others i.e. they are experts in learning and work through others. They share their knowledge; learn the art of managing younger counterparts, creating good relationships in the organization and creative teams. This creates a critical mass of masterful managers in the organization. Their combined forces with

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<sup>1</sup> Milojević Miroslav, et al, "Business Intelligence", *International Journal of economics and law*, Vol.2, No. 4, FORKUP, Novi Sad, April 2012., pp. 84.

the vision and discipline create an organization that is constantly renewed, constantly going on and ahead of the competition.

## 2. THE LEARNING ORGANIZATION

"Old Economy" was based on standardized production, a stable hierarchy, even autocratic, how to manage the business systems and national economies brought prosperity and competitive advantage. This order was strong from 30's of the second half of the twentieth century to the early 70's of XX century. Upon this follows crisis and in response to them a "new economy" was created that is global in character and where the only certainty is that is constantly changing. Those organizations, from multinational to the smallest ones, who have realized that still thrive, grow and get rich. They changed the course of business, continuing invest in **knowledge and technology** at all levels, to achieve the desired goal and so became **learning organizations**. All others that do nothing, do not perform adaptation to changes, will not work and will experience the fate of extinct species.

The learning organization adapts to challenges by encouraging continuous learning, education and improvement of existing resources, both individually and collectively. This creates a more productive workforce, which corresponds to the modern concepts of business. Intellectual work creates most of the economic values, and knowledge is the foundation of successful organizations. The above-mentioned helps creating **innovative climate**, or in such organizations there is free **exchange of information and ideas**. Employees are open to each other, they are more flexible, willing to **cooperate** without prejudice, and **interpersonal relationships** are built on trust. The **opinion** of each employee is respected so each **employee** is involved in identifying and solving problems. Employees are the primary force of these organizations and they provide the most to organization.

The point is to **change consciousness**. All must participate in learning; it is a process without end. Those organizations are capable of **learning faster than the competition** will help build a competitive advantage in today's turbulent and unpredictable business environment.

## 3. IMPROVING PERSONAL MANAGEMENT SYSTEM

"People gradually acquire new knowledge throughout life, but are not able to gain complete knowledge about the reality of the natural and social order."<sup>2</sup> Managers are particularly interested in acquiring new knowledge and personal development, in order to efficiently and effectively manage people in business systems. Every man is another story. Two are no two same people on the planet Earth. This shows that there are no two identical personal management systems.

Manager its own system of managing people in organizations builds and builds, first, by **presenting and evaluating their own potential**. It is necessary to always be compared with those who have greater success in achieving goals, because they are an incentive to initiate a competitive spirit and desire to be better than others are. Every man, manager, has unique potential, interests and behaviors. According to them defines its objectives and sees real possibilities for achieving them.

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<sup>2</sup> M. Radosavljević, V. Vučenočić, *Holistička tehnologija uspešnosti – kako postati uspešan*, FORKUP, Novi Sad, 2011, p. 17

Besides **education** of the manager, defined in the family, school, and social and cultural system in which it matures, it is important to master the knowledge of the implementation of defined objectives. The existing management systems lead a technology management system to new original levels. In order to manipulate them, it is necessary to **constantly learn and practice** that, observed for the longer term, create new knowledge and lead to **innovations**.

Innovations arise in business environments that provide freedom to employees and allow heterogeneity in business behavior. They require special management and control system, because they do not suffer formalized, centralized form of government. It is therefore important for professional managers to **know people and work with their employees** to take an interest in their successes and any problems, to respect them and respect their opinions. Because if they know will help them gather around a common interest and will fully utilize the entire potential for the realization of objectives.

Of the managers are asked to be able to quickly learn about the characteristics of their employees to easily assess their skills and other resources. That he will be able to do so only through a proper process of **communication**. Communication skills could be taught through many years, through careful **listening and observation**. Those managers who want to become "masters of their craft" know this very well. They are trying to listen to those from which they want to learn and master management skills, to carefully observe, listen and when they do not speak directly, **respect** their work and are always interested in their work.

In order for manager to perform its job in the professional way he has, of course, gradually, to build the value of their personality, that is through its work to gain respect and create a personal and professional (expert) **authority**. This is achieved through learning, the implementation of existing knowledge and skills development and training in the activities they want to achieve top results. Also important is the **openness** towards people and willingness to help others, because it is a requirement to exchange information and review their own achievements and further upgrades.

Only those managers who knows what they wants, i.e. clearly defined its goal and constantly work on its self-organization and self-efficacy, improve their existing personal management system and becomes successful professionals.

#### 4. INNOVATIVE MANAGEMENT

The concept of management under the influence of constant changes in the environment and the organization suffers changes, which is the logical development of the organization and its management. Once these are radical changes and sometimes the changes are of "cosmetic" nature. Management has to live with changes, to adapt them and not only that, but it is desirable to create them. In the contemporary business, that performs an organization who innovate and its corresponding management, so-called, **innovative management**. Such management is made not only of professionals who efficiently and effectively direct the work of the organization and its overall resources to achieve the set goals, but they are broadly educated, professional, competent and creative staff.

Innovative management as its basis has an innovation as basic resource. To innovation is coming by creative thinking. Creativity generates new ideas, which in turn is caused by individual human potential. The task of innovation management is to create a favorable atmosphere in the organization, in which each individual will have a chance to create ideas. In such an organization will be operated under the principle of "creative chaos", which is a known target, but how an individual chooses to achieve the goal and they are varied and flexible. Practice shows that whenever employees have the freedom to decide how to do some

work, that he generally worked more effectively than if it was working on the principle of tutelage.

Innovation is the implementation of new ideas and creating the conditions for newly created intention or action become useful work and be useful. Innovative management is the opposite of conventional management, which has the task of establishing order, control and sanction. Innovative management, rather than uniformity of classical management, in the work organization encourages, values the diversity of the business environment, hierarchical levels, deletes authority, and puts the knowledge and ideas, most valuable resource.

Innovative management aims to create good, healthy relationships and eliminate the conflicts as a source of some problems. Nevertheless, that same so-called management encourages professional, creative conflicts, which are permitted and desirable in the innovative organization. In such organizations are exempt from the innovators in classical forms, for example, adherence to working hours, are not obliged to act according to certain operating and technological regimes, no deadlines, no norms, and so on. Thus the slogan, "Yes, you will work, but you will also have fun", an authentic incontestable business culture and not only business success but also success for humanity, the biggest brand in the world of "Google", says a lot about why it is necessary to give more attention to people's choice. We are looking for not only knowledgeable and experienced people, but people who are open to new ideas, people who take initiative, who are patient, persistent, etc. All employees at headquarters called the "Google Pack" are obliged to spend one day in a week spent doing nothing. "Google" calls that day the innovation time. How much this motivation technique is successful, demonstrate fact that some of the most popular solutions were created just this way.

Innovative management puts employees know that they will not be penalized if the search for new methods, techniques and ways to work more efficiently, make mistakes, and even damages. Because, thanks to the people who are not reconciled with the existing ones, which have struggled to find new and generally more efficient ways to achieve the defined goals, all humanity made progress.

Of course, carriers of innovative management in time run out of energy to create an innovative atmosphere, because there is a need for changing management in innovative systems. New people in management brought changes of style that has a positive impact on organizational performance.

## 5. MASTERFUL MANAGEMENT

Increase of the overall world population and the development of the global market increase competition in the production of goods and services, which actually means a battle for survival. To survive, organizations must continually increase their efficiency and effectiveness in its operations; otherwise, it will stagnate and will be exploited by competitors.

Moreover, it will survive thanks only if management is appropriately involved in the search for new, modern ways to increase business performance. It is the management who is the leader in all areas of administration and management of the organization and which has a significant impact not only on the success of the organization, but has an impact on the success of the national economy. Such management achieves superior business results and is called a **champion or a masterful management**. Maestro or a master is the notion that "usually refers to professionals who have attained the highest level of artistry and skill in performing a

task."<sup>3</sup> Such management primarily encourages and supports all new and quality previously unknown methods, techniques and technology in achieving the objectives in the management of organizations.

"The basis of masterful management is creation, accompanied by brilliant discoveries and ideas that have not been applied in management. Maestros never meet existing solutions, whatever kind of quality they were."<sup>4</sup> Of course, the result is the most important, because without the results there is no champion, i.e. maestro.

Masterful managers are engaged in business development and improvement and functioning of an organization. They have no fixed working hours or are forced to spend their time in office; we can say they do not much buy they work smartly. They are characterized by a number of interdisciplinary knowledge and skills that they know the right way to realize in practice through the processes of organizing, directing and control of the organization. The main characteristics are creativity, invention and innovation, training, perseverance, ingenuity, and scientific. Masterful managers do not have one, but many of cited characteristics. The characteristics are mutually dependent, and often one without the other does not represent a value for itself."<sup>5</sup>

According to numerous scientific studies, people every day use only 5% of its total potential, and about 95% remains unused. Those people who are aware of that have greater potential than others, and use them in whole, in relation to other people, more effectively achieve the desired goals, and in the organizations they work, they are working with much less effort and more satisfaction, than other employees, have greater efficiency and effectiveness in business and thus become maestros in their profession. In the specific ways, they achieve defined goals in a short period of time using the available resources. Such people are dominant in their own, not just the business environment, but also in the environment. Capital owners always want these people for themselves, i.e. that they manage their capital, solve problems, build quality relationships and motivate their employees to devote the best part of themselves in their work, and for such managers we can say they are as "maestros of a great orchestra."

An important characteristic these managers possess is the ability, , to create incentive motivational culture of the organization and carry out the selection of personnel who will accept and adapt to their system of work and behavior through their work. They know how to invoke the so-called professional conflicts that give birth to a radical, in some cases, a revolutionary solution in terms of business management system.

Management formed in the period of industrialization humanity was intended, primarily, for the maximization of profits for the owners of capital, regardless of what happens with the resources, environment, etc. Professional management was looking for new ways to maintain and, furthermore, the dispersion of the current situation of industrial society. However, a gap that has always exists between wishes and reality in people forcing them (and still does) to find unused methods, methods and techniques to achieve its goals. Exactly that those managers who are called maestro in managing organizations, as each new age requires new management expertise were doing.

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<sup>3</sup> The term maestro is of Italian origin, the Latin *magister*, means a great master in the creation of musical works, music teacher, a great chess player, gentleman, etc., M. Vujaklija, *Leksikon stranih reči i izraza*, Prosveta, Beograd, 1991, p. 508

<sup>4</sup> Ž. Radosavljević, *Menadžment znanja i(li) znanje u menadžmentu (Od predvodništva do maestranosti i dalje ...)*, CERK, Beograd, 2008., p. 112

<sup>5</sup> Ž. Radosavljević, *Menadžment znanja i(li) znanje u menadžmentu (Od predvodništva do maestranosti i dalje ...)*, CERK, Beograd, 2008., p. 115, 116

The new experts in management, i.e. masterful managers in their work rely on knowledge, experience, facts which are supported by scientific research, scientific discoveries. "In that sense, the large international corporations, associated with elite universities, but they themselves, represent the universities, because they constantly learn. Professors of elite faculties participate in making important business decisions of corporate, as well as corporate presidents, CEOs participate in the department, and scientific and technical council of business schools and faculties of business studies and thus connects theory and practice. The benefits are multiple, as experts from companies in the communications with universities refresh their knowledge, while corporate managers participating in the schools can transfer the practical demand."<sup>6</sup>

This indicates that there has been an inevitable connecting of science with professional management, that is, scientific-technical progress as a basis of power of the modern business management system. Thus, the modern scientific knowledge embedding in management processes, they take new qualitative forms, and in accordance with that, take the development of the society.

## RESUME

In the following years changes will be faster and competition stronger. Business system having the potential to overcome the speed of changes and uncertainty of time, will be able to learn and apply gained in practice, to implement original ideas and new approaches to solving problems will successful achievement of its goals. Peter Drucker in his book, "*Management Challenges for the 21<sup>st</sup> Century*" talks about the skills of management that needs to be developed "today" in order to be successful tomorrow and says, "Anyone who waits until these (challenges) become trendy, top-priority buzzwords will be left behind".

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<sup>6</sup> Ib., pp. 119

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