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ABSTRACT

In the context of the digital era, building a learning organization has become a strategy for enterprises to gain sustainable competitive advantages. This study proposes a model of learning organization in the digital era for Vietnamese enterprises. The model is developed based on existing literature of learning organization and the context of human resource development in Vietnamese enterprises. It is argued in this study that the utilization of technology which is added in the model of the learning organization as the fourth element, will play a critical role in the learning organization model in the digital era. Some implications for using the proposed model are also presented as suggestions for future research.

Keywords: Human Resource Development, Learning Organization, Organizational Learning, Digital Era, Vietnamese Enterprise

JEL Classifications: M50, M53, O32

1. INTRODUCTION

In this rapidly evolving world with technological advancement happening day by day, it is difficult to predict future development trends and design suitable plans responding to those changes (Gilley et al., 2000). In order to survive and develop, individuals and organizations need to constantly change as well, to adapt to new environments and circumstances, and the best way for quick adaptability is learning. A person who wants to succeed must always learn; a company that wants to succeed must become a learning organization (Garvin et al., 2008).

Moreover, in the 21st century, firms are facing a continually changing and unpredictable business environment (Jamali et al., 2009). Meanwhile, the rapid development of science-technology and globalization has imposed increasing competitive pressure on businesses. While the competitive advantages of tangible assets can easily be copied or replaced, becoming a learning organization would help a business establish and maintain a sustainable competitive advantage (Garvin et al., 2008). Therefore, building a learning organization is an essential strategy that is getting more and more attention from the global business community as well as academics.

The concept of “learning organization” was coined three decades ago. Since then, there have been many studies on learning organizations worldwide. However, in the Vietnamese context, no research has yet shown a comprehensive model of a learning organization for businesses. Therefore, this study aims to propose a learning organization model suitable for Vietnamese businesses in the digital era.

This paper is structured as follows. The first section summarizes the theoretical background. The second section discusses the trends in human resource development that motivate a learning organization in the Vietnamese context. The last section presents a proposed model of learning organization and implications for training in Vietnamese enterprises.
2. THEORETICAL BACKGROUND

2.1. Learning Organization

Although the concept of the learning organization has been mentioned in several publications since the late 80s in the 20th century (Garratt, 1987; Hayes et al., 1988), it was not until the early 1990s that the concept was publicized in the book “The Fifth Discipline: The Art and Practice of the Learning Organization” written by Peter Senge (1990), who is considered the guru of learning organizations (Jackson, 2001). Numerous studies have shown definitions of a learning organization with different approaches (Tsang, 1997; Jamali et al., 2008).

From the individual perspective in an organization, Dowd (1999) defines a learning organization as “a group of people dedicated to learning and improving forever”. Similarly, Lewis (2002) insisted that a learning organization is where “employees are continually acquiring and sharing new knowledge and are willing to apply that knowledge in making decisions or performing their work”. Both definitions emphasize the importance of individual learning in an organization and the sharing, applying acquired knowledge to improve one’s working capacity for the organization. However, learning at an individual level is a necessary but not sufficient condition to establish a learning organization. In a learning organization, learning must continuously occur at all levels: individual, group, and system-level (Poell et al., 1997). Individuals are not the only unit that can learn. Instead, the organization itself can be a unit of learning (Ortenblad, 2018), and organizational learning is an evolving process from the individual level to the group level (Bratianu, 2015).

From an organizational-level approach, some studies identify a learning organization as an institution capable of acquiring, creating, and transferring knowledge (Garvin, 1993); analyzing, monitoring, and managing the organization’s learning process (Gephart et al., 1996) and thereby adjusting its behavior to improve, innovate and enhance performance (Garvin, 1993; Gephart et al., 1996; Griego et al., 2000). This approach focuses on learning at the organizational level, but how an organization can learn is a relatively abstract issue and difficult to apply to have practical proposals, especially for businesses (Tsang, 1997).

The third approach is taking both individual and organizational perspectives into account, which means emphasizing the ability of continuous learning at all levels in an organization and the sharing of knowledge among individuals, groups, and the whole system, thereby enhancing the capacity and transforming organization’s behaviors to achieve the desired outcomes and continuously adapt to changes (Senge, 1990; Nevis et al., 1995; Pedler et al., 1997; Rowden, 2001; Armstrong and Foley, 2003; James, 2003). In other words, this approach considers individual learning as an essential basis for an organization’s ongoing learning, while the organizational structure, culture, and learning environment also play an essential role in building a learning organization.

There has not yet been one universal definition of a learning organization, and many definitions exist with many different approaches. In this study, a learning organization could be understood as an organization with specific characteristics, as shown in Figure 1.

2.2. The Importance of Building Learning Organization for Enterprises

In general, building a company into a learning organization has the following main benefits:

2.2.1. Enhancing adaptability and creating a sustainable competitive advantage for the company

Building a company into a learning organization will increase the creativity and innovation level for that company because it shall continuously acquire, create, transfer knowledge (Garvin et al., 2008). This ongoing process enables the company to react to changes faster than its competitors, increasing its competitive advantage. A competitive advantage that comes from a faster learning pace than other competitors’ is relatively sustainable, whereas a competitive advantage over tangible factors such as products, services, the process could be obsolete or easily copied. If a company has a faster learning pace than other competitors do, it will always lead the sector and maintain a pioneering position (Garvin et al., 2008). On the other hand, quick learning ability is a crucial foundation for any company to implement research and development, generating new knowledge.

2.2.2. Increasing job satisfaction for employees

In a dedicated learning organization, new ideas and proposals of employees shall be appreciated, even when those ideas are against the conventional or the majority point of view. Moreover, each employee can overcome the fear of admitting mistakes because accepting and keeping an open mind to mistakes and differences are ones of main characteristics of a learning organization (Tannenbaum, 1997; Garvin et al., 2008). In a learning organization, communication among employees and teams is encouraged and promoted throughout the whole system of a company (Sarala and Sarala, 1996); therefore, working environment can become more friendly. Hence, building a learning organization is believed to set positive impacts on employee satisfaction in different sectors.

The most obvious benefit for a company from an increased job satisfaction of employees is the decrease in turnover rate, which helps to reduce significantly recruitment and training cost, avoid losses from temporary productivity drops in case of personnel change since almost all new employees need a certain time to catch up with the pace of work. In short, it could be said that learning is not only about generating new ideas but also being a culture trait that bridges that gap between employees and

Figure 1: Characteristics of a learning organization

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organization, and more importantly, employees learn proactively to improve their own capacity.

2.2.3. Enhancing individual and organizational productivity
A learning organization would facilitate favorable conditions to foster the learning, knowledge sharing, and transferring among employees in the organization. Promote innovation to achieve the goals that individuals and the organization desire. (Senge, 1990; Rowden, 2001). Throughout the learning and innovation process, the productivity of individuals is boosted. Job satisfaction could also lead to improvements in productivity. When the whole organization keeps learning, individuals’ productivity is improved, then the overall productivity of a company will undoubtedly rise.

2.3. Building Blocks of a Learning Organization
Along with the popularity of the concept of learning organizations from the 90s of the last century, there have been many studies discussing the necessary factors to build a learning organization. The factors mentioned in these studies are quite diverse but disjointed, and almost no combination of factors was agreed upon across those studies.

With an aim to propose a learning organization model for enterprises, authors of this paper have searched for the building blocks of learning organizations in the post-1990 studies, synthesized and classified them into three major groups of factors that were commonly mentioned, including: (1) Leadership and structures; This building block might include leadership with vision that reinforces learning; organizational structure; and learning structure (Wick and Leon, 1993; Sarala and Sarala, 1996; Pedler et al., 1997; Gardiner and Whiting, 1997; Watkins and Marsick, 1998; Garvin et al., 2008). (2) Policies, processes and practices; For this second building block, we might consider some criteria such as Learning Environment/Climate; Learning Opportunities; Rewards and recognition Processes; Team learning; Implementation (Senge, 1990; Wick and Leon, 1993; Sarala and Sarala, 1996; Pedler et al., 1997; Tannenbaum, 1997; Gardiner and Whiting, 1997; Watkins, 1998; Garvin et al., 2008). (3) Knowledge repository Regarding this building block, knowledge repository refers to the store of information, new ideas, work experiences, and training content (Garvin, 1993; Wick and Leon, 1993; Sarala and Sarala, 1996; Pedler et al., 1997). Besides these three groups of factors, some studies also mentioned other building blocks such as inventiveness (Wick and Leon, 1993); Organizing the work (Sarala and Sarala, 1996); Tolerance of mistakes; Openness to new ideas (Tannenbaum, 1997; Garvin et al., 2008); Technology (Parker, 2012); Empowerment (Gardiner and Whiting, 1997; Watkins and Marsick, 1998).

These are groups of factors to build a learning organization within an organization in general. In the context of businesses with specific characteristics, there were some research that mentioned the “learning company” concept and proposed some building blocks; however, there were little consensus among these published models. Instead, building blocks of a learning organization may change and be subjected to the environment and science-technology development.

3. BUILDING A LEARNING ORGANIZATION IN VIETNAMESE ENTERPRISES: CONTEXT AND IMPETUS

3.1. Challenges in Human Resources Development in Vietnamese Enterprises
Many years ago, the issue of human resource competition in Vietnam was discussed hypothetically. However, nowadays, this has become an issue that businesses in Vietnam face and need addressing promptly. Accompanying the development of domestic and foreign-invested firms, the demand for high quality human resources is increasing, thus skilled and experienced labors are now becoming a limited valuable resources that a large number of companies and corporations are seeking for and trying to attract. According to statistics in 2019, Vietnam has a young and dynamic labor force, with over 70% of women and 80% of men participating in the workforce. However, only about 12% of which are high quality labors whereas the world’s average figure is 20% (ILO, 2019). Thus, one of the new trends in human resource management is improving “employees” capacity to create more high quality personnel, considering human development as a competitive advantage to attract talents.

A majority of Vietnamese labors currently does not acquire suitable skill sets. Being weak in skills, employees could not meet the recruitment needs of businesses, according to Department of Employment, Ministry of Labor - Invalids and Social Affairs. Exposed to the market access of FDI enterprises in ceaseless globalization, Vietnam’s human resources are showing limitations.

**Figure 3:** Transition in approach to learning in the digital era

<table>
<thead>
<tr>
<th>VIETNAMESE ENTERPRISES LEARNING</th>
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<tr>
<td><strong>To solve problems</strong></td>
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<tr>
<td><strong>To do what have been done</strong></td>
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<tr>
<td><strong>To be the best</strong></td>
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<td><strong>To think in the same way</strong></td>
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Source: Own elaboration
and not highly evaluated by foreign investors. According to VCCI (2018), only 31% of FDI enterprises agree that Vietnam’s human resources temporarily meet the job requirements while 64% of which think that workers just partly meet the demands of employers at the moment. Generally, domestic human resources, the main labor force for Vietnamese businesses, are facing some challenges as follows:

- Background knowledge: A majority of current labor force still has weak background knowledge which does not meet the requirements of employers as well as for business growth. According to the Global Competitiveness Report 2019 of the World Economic Forum, Vietnam ranked at 103th out of 141 economies in terms of current workforce’s skills, and at 116th for skillset of graduates. This situation can be resulted from many different causes such as field-of-study mismatch. The percentage of people work in the same field as their education background is relatively low (under 40%). The learning programs in many domestic educational institutions are theory-heavy, and many curricula are already out of date, no longer suitable for the current context.

- Learning culture: Most enterprises have not built a learning culture of their own - even large and leading enterprises in many fields.

- Career orientation: According to the General Statistics Office of Vietnam, over 60% of university graduates work in fields that have nothing to do with the majors in which they were professionally trained, and the majority of workers hardly have a clear orientation of “career path”. This is also a testament to the limited quality of human resources in companies and the necessity to build a learning organization.

- Foreign language proficiency: The ongoing international integration has imposed certain requirements of foreign language proficiency for employees; nevertheless, foreign language capacity of Vietnamese workers does not measure up to expectations. Even in leading corporations in Vietnam which have invested in many foreign markets, there are still more than 50% mid-level managers not having the minimum level of foreign language proficiency as work required. This is also a difficulty for human resources to have quick access to new sources of knowledge around the world, especially in the context of rapid globalization.

3.2. New Trends in Human Resources Development of Vietnamese Enterprises
A continually changing and competitive business environment urges managers to proactively grasp new trends in society as well as human resources management in general and human resources development in particular. In Vietnam, there are some noticeable trends which could be identified as follows (Figure 2).

First, managers should have a shift in mindset: from the human resource to human capital where any expenditure on employees is regarded as an investment rather than an expense (Zakaria and Yusoff, 2011). If managers see employees merely as ‘a resource’, this could lead to the tendency that managers focus on exploiting only that resource. Instead, human capital is also about construction, development, promotion and preservation of labor force. This shift in viewpoint would help managers invest effectively, especially in education and training activities, for the companies’ human resources development.

Second, from a practical perspective of enterprise, R&D and education-training are two activities that should always go hand in hand and complement each other because the ability to research and generate new valuable knowledge could only come after having a solid background knowledge and keeping up with the most updated intelligence. This is a new perspective in human resources development of enterprises.

Third, at the current, the learning of employees in most Vietnamese companies comes mainly from training programs organized by the firms. However, in order to successfully build a learning organization, both organization and individuals in that organization must have rights and obligations to learn for improvement in knowledge and skills. In other words, instead of just passively waiting for training activities to be organized by the company, each individual needs to proactively learn to improve their own capacity for the job. In short, training provided by company must be accompanied by active learning of workers.

Fourth, in a volatile business environment with the impacts of the global economy, Vietnamese firms need to create their own dynamic capabilities – “the ability to integrate, build, and reconfigure organization’s resources to transform them into competencies in response to rapidly-changing business environment”. The dynamic capabilities may include adaptive capability, creative capability, learning capability, etc. (Tuyen, 2017) so as to proactively and perpetually adapt to changes. In particular, learning capability is also one of the important dynamic capabilities that needed for businesses.

Finally, digital transformation is becoming an inevitable trend for business, in which first movers are rewarded and slow followers are exposed to the risk of failure. To succeed in digitalization, create and maintain its pioneering position, businesses need to have the capacity to transform and adapt, and such capacity is basically possible to obtain through the learning and training activities of the business.

With the digital transformation trends, new perspectives in human resources development have been brought about; enterprises need to research and apply those to quickly adapt to the volatility of business environment, and building a learning organization is one of the positive ways to accomplish this goal.

3.3. Transitions in Learning and Training in Businesses in the Digital Era
In the Industry 4.0, IoT, Blockchain, AI and digital transformation have permeated into many sectors; the training field definitely cannot stay out of that trend. To build a learning organization in this digital era, companies need to have a shift in perspectives and perceptions of learning purposes, teachers, learning forms and learning methods.

Firstly, about learning purpose, while previously people learned to solve arising problems, to do what others have done, or to
maintain progress, now people learn to detect problems that need to be solved, to do what has not been done, to create, and to breakthrough. If back in the day learning purpose was just to be the best, nowadays people learn to be the fastest, the pioneer. Thus, instead of training people to have the same way of thinking, conventional actions, learning and training should aim at helping people create their own ideas and initiatives, act differently and effectively (Figure 4).

Secondly, about teachers, in the past only lecturers, experts, leaders, or managers could teach, which shows the notion that teachers had to be someone better than learners so that they can share their intelligence to learners. However, nowadays teachers can be anyone who has knowledge, skills and experience, creating values for their organization; they come to class as coaches to exchange with learners, developing contents and gaining new knowledge together. Therefore, it is now acceptable that teachers can be the ones who know less knowledge than learners. Formerly, knowledge (Knowledge - K) was the only one factor that is prioritized in teaching but now it is necessary to have a comprehensive training over all three factors: attitude, skill, and knowledge (ASK).

Thirdly, regarding forms and methods of learning, if in the past knowledge was mainly obtained from books, today people need to learn from practice to reinforce existing theories in textbooks, or to create new theories. Instead of learning through real space such as in the classrooms, lecture halls, training centers (offline learning), people can learn at anytime, anywhere, remotely via virtual space (online learning). This is one of the most typical characteristic of transition in this digital era, especially when learners are working adults with limited time for study. Meeting their needs to learn at anytime, anywhere plays an important role to promote, encourage and optimize their learning. Moreover, participating in formal training courses were considered the best way to learn in the past, so people prioritize going to classes rather than self-studying, with a “learn first, do later” perspective. However, a new perspective people should have is considering the best way to learn is through teaching others; people self-study then join formal classes, gaining experience in practice firsts, then learn to draw lessons from it. Especially, learning and training used to be a direct interaction between humans, then today with the development of technology, learning and training are becoming more diverse with the interaction between humans and machines as well (Figure 5).

Thus, throughout elaborate research by expert assessment method and observation, practical verification, the authors have brought new perspectives and perceptions in learning, teaching, and learning methods in a digital age. Remarkably, some typical transitions caused by digitalization impacts, including increased learning either via online platforms or technology tools to meet the need to learn at anytime and anywhere, were pointed out in this study.

4. A PROPOSED MODEL OF LEARNING ORGANIZATION IN THE DIGITAL ERA FOR VIETNAMESE ENTERPRISES

To adapt to Vietnam business context with above-mentioned typical current situation and transitions, it is proposed to add one more element which is technology application in education and training in enterprises. This fourth element to build a learning organization in business in this digital age was discussed in some previous studies such as Parker (2012). The fourth element has not been widely proposed by the most studies; however, specifically for Vietnam at this moment of information age, this element was considered essential for building a learning organization in business. From the above arguments, the authors propose a learning organization model in the information age for Vietnamese enterprises with the following four elements: (1) Leadership; (2) Policies, processes, and practices; (3) Technology utilization; and (4) Knowledge repository (Figure 6).

To verify the applicability of this model, we have consulted experts in two independent ways: (1) seminars for criticisms, feedback from experts; (2) surveys for opinions and evaluation
from experts. The experts selected to participate in seminars and survey are divided into three groups: (1) government agencies, (2) instructors from leading universities, vocational training institutions in Vietnam, and (3) managers at three levels (grassroots level, mid-level, and senior-level) of firms in different sectors.

With the first form of verification, the authors have introduced the model as mentioned above at more than 70 international and national conferences, seminars (with the participation of more than 1200 attendees) in business. The model also received high recognition and appreciation from many Vietnamese and foreign scholars, leaders of domestic and foreign educational institutions (15 universities and colleges), leaders of top corporations in Vietnam in many different sectors (5 banks, 22 manufacturing firms, 21 commercial firms, 20 service firms).

With the second form, the authors have conducted an independent survey with the participation of 360 experts who are leaders of large enterprises, managers at educational institutions, and scholars having expertise in human resources development in Vietnam to evaluate the level of necessity of the factors in the model. Results show that 100% of experts believe that “Leadership” is a must-have factor to build a learning organization; 91.7% of experts agree that “Policies, processes, and practices” is a building block of a learning organization. Next, 93.3% of experts participating in the survey answer that “Technology Utilization” plays an important role in building a learning organization in enterprise, and “Knowledge repository” is considered an indispensable factor by 98.3% of experts.

4.1. Leadership
Leaders always have a significant impact on the whole organization in general and on the learning activities of the organization in particular (Garvin et al., 2008). Many studies pointed out that building a learning organization would require leaders who have a vision and always encourage learning activities in their organizations (Wick and Leon, 1993; Watkins and Marsick, 1998; Garvin et al., 2008). Leaders in a learning organization are also different from leaders in a conventional organization (Gilley and Maycunich, 2000), so a learning-organization leader must be aware of the importance of organizational learning. Only then can the leader promote and encourage learning activities of the organization. Moreover, leaders must be a shining example of learning for employees to follow, and they also need to participate in training, coaching and sharing knowledge with their staff.

4.2. Policies, Processes, and Practices
To build a learning organization, apart from having a visionary leader with the awareness of the importance of organizational training, promoting learning activities in the organization, specific policies and processes are in need to implement the leader’s direction in monitoring and promoting learning activities. Policies and process contributing to building a learning organization may include policies on training activities support and promotion (Tannenbaum, 1997); creating favorable conditions for learning in the organization (Ortenblad, 2004; Garvin et al., 2008), facilitating and creating opportunities for learning and self-development (Gardiner and Whiting, 1997; Tannenbaum, 1997); learning by sharing among teams (Watkins and Marsick, 1998; Garvin, 1993), on-the-job learning (Ortenblad, 2004); learning process in the organization (Sarala and Sarala, 1996; Garvin et al., 2008).

4.3. Technology Utilization
Along with the development of the Industrial Revolution 4.0, technology is significantly changing and playing a more critical role than ever in many aspects of society, including learning and training in enterprises (Hashim, 2018). In a learning organization, learning must occur continuously at all levels in an organization (Poell et al., 1997). However, a trustworthy learning organization should try to provide as many training programs as possible since the nature of a learning organization does not lie within the training but in the self-development capacity of individuals and organizations (Pedler et al., 1991). Thus, an active learning habit of each individual is crucial for the whole enterprise to transform into a learning organization. The building, exploiting a technology learning platform that meets the “anytime, anywhere” demands of employees would help maximize their initiative. This is because instead of waiting for full-time training courses organized by firms with an online learning system, employees would be more proactive in their learning routines regarding the time, place, and contents of learning. At the same time, leaders can also monitor the learning activities of their staff and organizations more quickly through the application of technology, making decisions, policies and taking actions more appropriately to promote the organization.

4.4. Knowledge Repository
Knowledge repository may include information, ideas, work experience, or training content shared and transferred internally between members, teams within an organization, or externally between organizations and outsiders to form a shared resource that every individual in the organization can access and learn. The construction and development of a shared knowledge repository within an organization would enhance learning opportunities and facilitate its members’ constant learning, promoting learning from past experiences and transferring knowledge. These are building blocks for a learning organization mentioned in many studies (Garvin, 1993; Pedler et al., 1997; Tannenbaum, 1997; Watkins and Marsick, 1998; Porth et al., 1999).

5. CONCLUSION
In a constantly evolving society with remarkable advances in science and technology, building a learning organization is a crucial strategy for enterprises to create sustainable competitive advantages. The learning organization will increase job satisfaction and productivity of employees, contributing to the accumulation and development of enterprise knowledge, forming a distinct corporate culture and serving as a good foundation for businesses to plan their strategies.

Based on inhering the previous studies on learning organizations and adjustment to fit the practical context in Vietnamese businesses in the 4.0 era, this research proposes a model of building a learning organization in the digital age with four elements: (1) Leadership; (2) Policies, processes and practices; (3) Technology Utilization;
and (4) Knowledge Repository. The model has been obtained, applied, and verified in some Vietnamese enterprises and has brought back positive outcomes, which were highly evaluated by business managers. It could be seen as either a basis or a tool for building a learning organization, either a theory model or an application model for enterprises to develop their human resources through learning and training activities.

In this study, a four-factor model for building learning organizations in Vietnamese businesses’ digital age is proposed. Future research may measure each element’s impact in the learning organization model on the firm performance and other training outcomes.

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