**Report on: Strategy and Organizational Learning a Canadian Case study**

**Written by** – James Linton

Week 8 Final Report

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| *Item* | Page Number |
| *Cover Page* | 1 |
| *Table of Contents* | 2 |
| *Project Nature and Purpose* | 3 |
| *Canada: an Overview* | 4 |
| *Organizational learning as a strategy* | 5 |
| *The creation of organizational knowledge* | 6 |
| *Theories of organizational knowledge and learning* | 6 |
| *Social context and processes of organizational learning* | 7 |
| *Learning in networks* | 8 |
| *Multinational learning networks* | 9 |
| *Learning through strategic alliances* | 10 |
| *Barriers to organizational learning* | 11 |
| *Conclusion* | 12 |
| *Works Cited* | 13-14 |

**Project Nature and Purpose**

**North America is undeniably a massive marketplace that many Multinational firms (MNE) look to target in order to increase profits. This is quite simply because not only is there a large population base but bred into this population is a consumerism way of thinking that leads to immense amounts of spending that is unmatched around the world. Evidence of this glut is seen in the economic crash of the USA (Whitney,M. 2009), where US citizens and banks simply spent more than they even had! Thus it is a rather obvious decision for any firm to want to branch into North America.**

**So how does one breach such a massive marketplace? While Canada is a small nation in terms of population it also has the confliction that it’s people are seen as conservative and yet they too are born and bred consumers. What this means is that Canada not only is able to generate large amounts of income for a firm but it also acts as a training ground before entering the USA. These two nations share a great deal in common and thus it is only natural to try and use one to enter the other.**

**Now what these nations share is also how they differ, both nations have a large landmass with many distinct pockets of people far different from the next yet united by their home flag. So in order to be successful a firm will need to market to many while specializing in few. Hence the nature of this report is to familiarize a firm with the Canadian business atmosphere.**

**Canada: An Overview**

**In order to successfully do business in a nation one must first get to know it and its people. This is a tall order when a firm looks at Canada as a rich history is in place yet while it brings together a nation; it is individual history that separates as well. What’s meant by this is that Canada is a cultural mosaic of immigrants that are all proud of their distinct backgrounds while still being proud Canadians. So while one may think aiming a product at Canadians as a whole is simple, it really isn’t. In order to better look at Canada one must break it down into manageable segments as a nation of its size has a diverse history and people.**

* **The west coast for example is seen as more open to new ideas and is very “Hippy like”.**
* **The Prairie Provinces are seen as very conservative and religious.**
* **Ontario is seen as the business headquarters and home to more immigrants in its major cities than any other province.**
* **Quebec is often referred to as a nation within the nation since its distinctly French heritage and beliefs set it apart from the rest.**
* **The east coast is known to have very friendly people who brave winters so cold that snowmobiles are realistic methods of transportation**
* **The territories are home to many of Canada native people and unfortunately are simply not as industrialized as the rest of the nation**

**What is seen above is only a small piece of the distinctions within Canada and it doesn’t even touch on the individual ethnic groups that call Canada home. In fact while Canada is bi-lingual with English and French as main languages, it was recently brought up that Punjabi is being considered for the number three slot (PTI, 2008).**

**Organizational learning as a strategy:**

Canadian firms have many different approaches to organizational learning as the many different landscapes within Canada dictate. However one industry that unites Canadians is the federal health care industry that insures all Canadians will receive health care treatment on a need basis rather than on leaving ones health up to their finances. This has for years set Canadians apart from the rest and many nations have looked to copy or learn from the Canadian system. So how does the organizational learning strategy work within some of these hospitals?

Within the biomedical field specifically a build from within strategy is normally implemented. What this strategy does is give each member of a biomed team specific responsibilities and training that are best suited for the demands of that department. An example of this is in University hospital of London Ontario where Biomeds are split into emergency/operating room equipment, floor level equipment, renal care, and scopes. By doing this a hospital specializes their employees to meet their needs and thus the idea of hiring from within makes the most sense so as not to lose that knowledge learned over time. This is also evident as hospitals operate on a seniority basis where by those who have been with the hospital longer will receive greater benefits and opportunities then those who haven’t been. Thus building a loyalty between the two and this is directly correlated to the nature of Canadians as loyal and conservatives.

**The creation of organizational knowledge**:

Being a relatively small nation in terms of population the generation of knowledge for Canadian firms can take longer then it may seem to for other firms such as American base firms. This however leads to the commonality of Canadian firms dealing with American firms in ISA agreements to share their knowledge since the marketplaces don’t overlap and if anything it exposes both firms to information that they otherwise would have no way of obtaining.

An example of this is NORAD (norad.mil), an organization that has both Canadian and Americans involved to share knowledge and military information for the safety of the airspace above the two nations. By working together this ensures that both nations are better prepared and aware of any new technologies or information that comes into play. Thus both nations benefit and knowledge is “Created” and shared between the two, leading to far better results than either would have on their own.

**Theories of organizational knowledge and learning**:

One of the benefits of the Canadian education system is that it produces some of the top minds in many different fields sue to the money put into schooling by the Canadian government. However this can lead to problems as well such as the “Brain drain” phenomenon that occurs on a regular basis whereby good Canadian minds are brought to the US for their knowledge and thus Canada losses out on possible innovations.

However in response to the brain drain Canada has its long standing history as a top place to live (according to the UN HDI Survey) working on its behalf. This is because immigration is a major reason for Canada’s growth both population and knowledge wise. Many of the greatest minds in the world come to Canada from nations with less stability and opportunity. Thus in Canada organizational knowledge and learning can often be more regarding global aspects then just Canadian. So what this means is that maintaining loyalty to a firm is a key ideal of any successful Canadian business as bringing that talent in is already a hard task.

**Social context and processes of organizational learning**:

Canadians are known to be very private and conservative people. What this means is that tacit knowledge and knowledge transfer is harder to accomplish within Canadian firms that possibly elsewhere. However once a Canadian has accepted their surroundings and peers knowledge can flow and be passed without problem.

As it is well proven tacit knowledge can be some of the most important to lead to innovation and in order to bring out tacit knowledge one must be in the proper circumstances and at the proper comfort level. Thus showing loyalty and praise within the Canadian business place is crucial. In fact this social aspect is not only hard to crack sue to Canadians personality types but also because Canadians can differ on many different matters due to their different heritages.

For example while working for McKesson Canada as the Ontario Field engineer one will have to communicate and make frequent dealing with the headquarters in Montréal. Now while both parties are indeed Canadian the different approaches to work ethic (Ontario fast paced, Quebec abit more relaxed) can lead to significant conflict and thus the social atmosphere may be far less then optimal causing lines between divisions and tension to form. Thus tacit knowledge and knowledge flow is slowed to a minimum. The only way to really deal with this is to have a hierarchy in place so that one side will always enforce their own views and the other will be made to adapt and eventually call the views their own. Thus time becomes crucial to forming these relationships and as such the idea of keeping employees within an organization for prolonged periods of time is even more beneficial.

**Learning in networks**:

Being a normally private population as previously mentioned it is hard for social networks to be set up quickly and while Canadians are known as extremely friendly this private/conservatism may keep tacit thoughts and knowledge hidden away for long periods of time. With that in mind firms within Canada always need to look at social implications and possible networks that need to be formed in order to maximize performance and knowledge transfer. This framework set up needs to take into account backgrounds, personality types and countless other characteristics when creating group dynamics. So it is only natural that when a group becomes successful it is best that a manager looks to keep that group in tact or they will have to start from scratch and rebuild interpersonal relationships that are not always easy to form.

This idea that Canadians are a friendly and polite people may seem great but it is also contradictory. For example when moving to a new city such as Toronto one can expect that the normal Canadian friendliness and politeness will be present everywhere they look. Yet this friendliness is quite honestly more for show than anything else as Canadians keep many things private and as such getting past the exterior can be a daunting task. So setting up a network of knowledge transfer is not only extremely hard to do and time consuming but also due to some barriers it can be all undone with one bad decision or social occurrence. Hence why it is important to know the people within a network before making any quick brash moves as management.

**Multinational learning networks**:

When a firm is looking for innovation via different backgrounds working together for a common goal they need look no further then the deep potential employee pool offered within Canada. This pool of talent is home to assorted different cultures and ethnic groups that are all proud of their distinctness and thus they are able to provide many different views that can lead to significant innovations.

Within Canada the mosaic of culture is similar to having partnerships with other countries in order to build knowledge yet all under one roof. This means that knowledge does not need to be shared with outside firms in order to grow and innovate. Instead assembling a diverse team with members from around the globe is as easy as having an HR team send out job postings. This idea of multinational learning networks ensures many different perspectives are heard and thus innovations can be expected that will be able to work around the globe rather than having an innovation that simply works within a home nation. Thus why “Think tanks” are very popular within Canada (MSU, 2010).

The reason these multinational teams work so well within Canada is because they offer vast knowledge bases and are brought together by common goals set by the firm and by the simple fact that they call Canada home.

**Learning through strategic alliances**: The process of forming successful strategic alliances within Canada

As previously mentioned many firms from outside of Canada operate think tanks within Canada in order to utilize the talent pool and knowledge base found within Canada. Another way that firms benefit is to partner with Canadian firms via international strategic alliances. These are excellent ways for Canada to bring outside funding and knowledge into the firm while also garnering the external firm knowledge and opinions that they would not have otherwise had access to.

When it comes to partnering with a Canadian firm in order to build organization knowledge an external firm is likely to give more then they receive in terms of money spent on knowledge yet the innovations that can be expected thanks to the diversity within Canada may be of even greater value. Also another reason firms in places such as the USA enjoy partnering knowledge bases with Canadian firms is because there is no competition between the two. This is because each will have to answer to their own distinct market places at the end of the day and thus they will have to take the combined knowledge and turn it into viable innovations for the home firm and its market.

**Barriers to organizational learning:**

As with any nation Canada has its own distinct barriers and solutions to issues facing organizational learning within its geographic landscape and population.

*Barrier 1 – Multiple cultures can create disruption*

While multiple cultures do indeed make setting up successful organizational knowledge networks abit more of a headache for managers the truth is that the positives gained by all the different viewpoints far outweighs the bad. These differing backgrounds are actually a strength of the Canadian population and such be seen as such. The only real issue is finding management that is prepared to deal with such differences and to instead harness them.

*Barrier 2 – A Generally Conservative and Fickle population*

The conservative and fickle marketplace offered within Canada is actually a great pace for firms to try out new ideas and see how they fair. If an idea does well under Canada’s scrutiny it will most certainly do well in nations that are less frugal and more liberal based.

*Barrier 3 – Brain drain*

Admittedly the brain drain phenomenon does take a lot of home grown talent away from the Canadian workforce. However the influx of talented and educated immigrants defiantly makes up for the knowledge lost and in fact their diversity adds to the value. So while losing talent is never a good thing, Canada’s immigration policy allows for their shoes to be filled quite promptly with emerging talent in their place.

**Conclusion:** A summation of the works presented

**Overall the strength to be found within a firm operating in Canada is undeniable. The general knowledge base that is available to firms is most defiantly too large to pass up and the marketplace offers a great place to not only increase revenues but also to test out new innovations in a tougher environment then they are meant for.**

**With the right mind set, proper management and a sense of patience a firm that expands to Canada with organizational learning in mind will no doubt be successful and with that success it can be a certainty that they will be prepared to be just as successful elsewhere in even larger markets.**

**The Canadian labor force landscape is so diverse that any MNE would be foolish to forgo the Canadian market as its many challenges come hand in hand with learning opportunities that more than pay for themselves.**

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