**Business sustainability: Is the Learning Organization one step ahead?**

1. *Premises*
* Sustainable Development (SD)
* Business sustainability:
	+ an extension of SD at microeconomic level
	+ it can be regarded as the correspondent of SD for the business sector
* Business sustainability: the capacity of a business to prosper in the long term, with no foreseeable time limit
1. *The Sustainable Business: a necessary partner*
* Business sustainability depends on, and simultaneously affects the sustainability of social and natural environments
* The partnership between business and society is a must if sustainability is to be reached.
1. *Business sustainability: a strategic choice*
* Long-term company prosperity requires factoring social and environmentalconcerns into business conduct.
* Business sustainability: a matter of strategic choice
* Companies adopt a wide range of strategic choices regarding the sustainability imperative (Wilard 2005, Senge et. al 2009)
* This choices can be regarded as an evolutionary learning process towards sustainability
1. *The Evolutionary learning process for sustainability*
2. *The Organizational learning process for sustainability*
* companies in stages 4 and 5 – integrate social, environmental and ethical principles in their strategies, they nurture natural, social and human capital, and generate economic, social and environmental value
* the road to sustainability requires fundamental changes: from organizational values, vision, mission, to the business models, operating policies and applied management frameworks.
* essentially, it’s a continuous learning process, at the strategic level
1. *A research problem*
* Why some companies show more interest in sustainability while others exhibit limited solicitude for social and environmental issues?
* Which are the internal features that encourage organizations to take the road toward sustainability?
1. Has a Learning organization better prospects of becoming sustainable?
2. Our assumption

*A learning organization has better prospects of becoming sustainable because it enjoys superior capabilities of developing and implementing a strategy for sustainability.*

1. HYPOTHESIS

*The learning organization paradigm has the potential to define the internal characteristics of an enterprise that holds superior prospects for sustainability*

* + The disciplines of the learning organization, when learned and practiced, shape and bolster up the long-term orientation of an organization and its ability to develop good, robust strategies for sustainability.
	+ The disciplines of the learning organization are critical for an organization’s progression through the evolutionary stages toward sustainability.
1. Developed model
2. Case studies
* 2 case studies – theoretical replication logic
	+ - Nike, Inc.
		- Romtelecom S.A
* Data analysis: “pattern matching”.

1. NIKE, INC. case study : COMPANY’S EVOLUTION
2. NIKE, INC. case study : KEY RESULTS
* The analysis produced an observed pattern that matched the pattern predicted by the model, thereby supporting the hypotheses of our research
* The importance of adopting a long-term perspective and to provide strategic guidance to all corporate responsibility actions, over time, has been revealed
* It is equally important for the top management of the company to possess the capability to encourage the surfacing of ideas from within the organization and to incorporate them into the emergent component of company strategy.
* The role of the characteristics, tools and strategies of the learning organization paradigm in preventing or overcoming internal limiting factors that could hinder progression through the evolutionary stages toward sustainability has been confirmed.
1. ROMTELECOM S.A. case study : COMPANY’S EVOLUTION
2. ROMTELECOM S.A. case study: key results
* Theoretical replication obtained: contrasting results for predictable reasons
* Traits of a learning organization appear simultaneously with efforts to advance towards business sustainability (but no causality demonstrated)
* Leaders need to create learning opportunities and guide learning if the company is to benefit from that learning.
* Even if all learning conditions are created in an organization, learning processes will hardly occur unless leaders generate them consciously.
1. What have we learned so far
* **Traits of a learning organization** appear alongside successful transformations in both cases - in our opinion, building a learning organization underlies those changes
* In the case of Nike, our analysis revealed the existence of a two-way relation between the two development processes, toward the learning organization and toward sustainability. The Romtelecom case suggests a similar situation
* Questioning existing **mental models** and double loop learning appears to be essential for moving toward more advanced stages of sustainability (especially 3 and higher)
* There is a critical need to **think systemically** in the struggle for sustainability – understanding the system in which you operate and redefining the boundary between externalities and internalities.
* The disciplines of **personal mastery** and **shared vision** are probably more important during transformations that call for a transition toward sustainability than during usual changes, since sustainability is a distant goal that keeps getting more distant as the organization advances toward it.

 In conclusion, dimensions of the learning organization appear to be critical for moving toward more advanced stages of sustainability (especially 3 and higher).

 This could very important in the context of business-society partnership as a prerequisite to sustainable development because companies in stages 4 and 5 nurture natural, social and human capital, and generate economic, social and environmental value.