Facilitating Organizational Learning in For-Profit Social Enterprises for Sustainability

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Abstract

For-profit social enterprises are facing the dual challenges of fulfilling social purpose on the one hand and surviving business competition on the other. Being a sustainable for-profit social enterprise, the company must balance between economic, social and environmental aspects throughout their business operations. In order to achieve the desired end of sustainability, organization need to keep learning about the social needs and the business environment in order to develop sustainable business processes, and better fulfill their purpose as organizations formed to create social value. The study aims to fill the gaps in sustainability research literature about organizational learning in for-profit social enterprises by exploring how effective learning processes occur at individual, group and organizational level and how to facilitate these learning processes to improve sustainability. The study develops an analytical framework by combining the 4I framework for organizational learning process (Crossan et al., 1999) and an AKO (activities, knowledge source, outcomes) framework for understanding learning activities, knowledge sources and learning outcomes. Four for-profit social enterprises in both Denmark and Sweden are chosen as cases. Based on findings, three organizational learning mechanisms are identified on selected cases. Practical implications and insights are also generated for for-profit social enterprises to facilitate organizational learning for sustainability.

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List of Abbreviations

UN - United Nations

WCED - World Commission on Environment and Development

FPSE - For-profit social enterprise

OL - Organizational Learning
1. Introduction

This paper presents the study on the facilitation of organizational learning in for-profit social enterprises (FPSE, hereafter) through three levels of organizational learning; individual, group, and organizational level for sustainability. For the purposes of this paper, FPSEs are defined as entities with dual social and financial motives, formed to generate social value with the potential to contribute to the advancement of sustainable development agenda as outlined by organizations such as the United Nations in the form of Sustainable Development Goals (UN, 2015). Organizational learning in FPSEs is defined as the process of knowledge and information acquisition and assimilation, in a way that helps the achievement of organizational goals and contributes to the social enterprises’ ability to address societal issues. This chapter of the paper aims to provide a brief introduction to the study and establish the theoretical context in which the study takes place.

1.1 Background

The 21st century is widely characterized by the presence of complex global problems such as climate change, environmental degradation and social inequality that potentially threaten the very stability of the institutions that regulate economic and political life. As a result, governments in macro level and organizations in micro level are constantly pressured to deal with those issues, and incorporate environmental and social concerns into their daily operations (Toma, 2012). It has been argued that all humanity needs organizing and unifying their efforts in building “sustainable global society founded on respect for nature, universal human rights, economic justice, and a culture of peace” to deal with the complexity of the global issues characterizing 21st century (The Earth Charter Initiative, 2000, p.1).

In that regard, sustainable development is rapidly being accepted globally as an effective organizing way to address environmental, social and economic concerns of modern economies (Molnar & Mulvihill, 2010). The most widely accepted definition for the term “sustainable development” is offered by the United Nations. That is, “sustainable development” is defined as the “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (WCED, 1987). While originally, balancing environmental concerns with economic growth and profit-maximization was dominant in its initial usage, over the years the consideration for sustainable development has expanded into the issues of social equality, inclusion, as well as economic efficiency. The most prevalent example being United Nations Sustainable Development Goals (SDGs) which advocates for addressing vast issues such as poverty, gender equality, industrialization, biodiversity, water quality, and clean energy (UN, 2015).

Due to the prevalence of global existential threats and the pressure to adapt sustainability paradigm to address those issues, organizations are constantly faced with external pressure to rethink their working processes and adapt to the needs of their environment and their stakeholders (Molnar & Mulvihill, 2010). Organizations need to constantly come up with new processes and innovations to be able to survive in a competitive and unpredictable market environment characterized by the external pressure to become more sustainable, and to respond to the global societal challenges. It has been argued that all real change that is necessary to create in organizations is embodied “in new ways of thinking and perceiving” (Senge et al., 2008, p.9). Moreover, the increasing concentration of wealth in the private sector is mitigating calls for increased social responsibility and more innovative and proactive responses to complex social problems from the society (Johnson, 2000). To be successful organizations need to change and constantly be ready to adapt to the needs of the environment at the time characterized by massive population increase,
urbanization, global warming, and energy transition. Thus, organizations need to become “invariably committed, conscientious learners” to be successful in today’s turbulent market environment (Garvin, 2000, p.8).

In that regard, the particular form of organizations, social enterprises have acquired growing importance over the last decade for their recognized capacity to address deep-seated societal problems commonly characterized with the current economic system such as health, education, poverty, prejudice and environmental damage (Smith et al., 2013). It has been argued that social enterprises could pave the way and play an important role for creating a more sustainable and fair society, built on the basis of satisfying local needs and the creation of innovative market orientated solutions for challenges such as climate change and poverty (Chalmers & Balan-Vnuk, 2013; Urban, 2015). Today, they are operating in a highly competitive environment characterized by tighter financial restrictions, with several organizations vying for the same donor funds to finance their activities (Weerawardena & Mort, 2006). Currently the social enterprise sector is facing intensifying demands for improved effectiveness and the need to incorporate the sustainability paradigm in light of diminishing funding from traditional sources (Urban, 2015). In that regard, the particular form of social enterprises, for-profit social enterprises with their unique prospect of financing their activities not solely through external funding but also through profit-seeking have become the new means for addressing societal problems and creating a social value.

Circulating insights and skills through any organization is important for advancing and increasing efficiency as well as competency. In addition, it has been argued that developing and integrating new organizational knowledge into everyday operation can be a significant tool for propagating an organization’s impact, especially as it grows (Katie & Amy, 2011). Nevertheless, the various social enterprises still struggle to learn and adapt to the needs of their environment, and make it an organizational priority. Moreover, many social enterprises lack strategic and operational capabilities to be effective and to have a larger social development impact (Mehrotra & Verma, 2015).

Innovation is closely associated concept with the FPSEs’ need to change and adapt to their environment. Innovation is a key determinant of survival for both for-profit and non-profit social enterprises just as it is for traditional businesses (Choi & Majumdar, 2014). Social innovation is closely associated with FPSE and has been described as a new way of thinking and acting. Social innovation gains momentum through new social movements, institutions, practices, and different structures of collaborative work (Cajaiba-Santana, 2014). In the case of FPSEs, social innovation is especially important as for-profit investors “typically want a competitive return, which is a function of profit levels, perceived risk, and growth prospects” (Dees & Anderson, 2003). That is, since for-profit enterprises operate in a competitive market environment characterized by the presence of other FPSEs trying to maximize their profits and attract investors, constant innovation is important determinant of for-profit social enterprise’s survival. The need for continuous value creation, profit maximization and sustainable performance from FPSEs has brought about a rise in the interest of various researchers in this topic (Margolis & Walsh, 2003). However, social innovation is more ambiguous and complex than conventional innovation as applied by commercial organizations (Lettice & Parekh, 2010). This is primarily due to the importance of harnessing organizational learning capabilities that are required to scale a FPSE to have a larger impact (Dees, 2009). The research also indicates that social innovation is interconnected to organizational learning, knowledge development and capabilities, and that successful learning environment within the organization paves the way for the birth of social innovation (Gharakhani & Mousakhani, 2012; Hao et al., 2010).
Learning in an organization is defined as an ongoing process that ultimately results in the formulation of new knowledge and the successful assimilation of that knowledge by the members of the organization (Balbastre et al., 2003). Learning has been identified as one of the organizational capabilities that can enable a firm to attain sustainable competitive advantage and manage innovation (Lado & Wilson, 1994). Nonaka et al., (2000) argue that organizations' ability to consistently create new knowledge and disseminate it throughout the organization is a source of lasting competitive advantage; an advantage that will strengthen organizational adaptation to any such environment and respond to its ever-changing challenges, which can ultimately lead to its survival. The knowledge advantage is sustainable because unlike material assets, knowledge increases with use and ideas tend to breed new ideas (Davenport & Prusak, 2000).

Therefore, organizational learning is regarded as a major process and indicator that leverages the long-term sustainable competitive advantage of a company. In the age of uncertainty characterized by the external pressure to adopt sustainable development agenda, organization’s ability to learn faster than its competitors can be a main source of sustainable competitive advantage (López et al., 2005). The organizational learning is argued to interact with different corporate resources and it evolves from the unique combination of the strategy of the enterprise, competitive forces in the market, organizational culture, and technological complexity (Dai et al., 2007). Organizations that foster a positive approach to organizational learning create important opportunities for themselves and their employees. The research suggests that organizational learning can improve actions through better knowledge and understanding by developing insights and associations between past actions and future actions (Fiol & Lyles, 1985).

Alongside with the competitive advantage, FPSEs with their unique structure of funding their activities from both traditional and non-traditional means will be more armed to address societal challenges associated with the advancement of sustainable development agenda, if proper organizational learning method is adopted and facilitated throughout all levels of the organization. Organizational learning is one of the strategic management tools through which social enterprises could organize their work in a way that will help them address the challenges associated with the advancement of sustainable development (Toma, 2012). Moreover, FPSE’s motivations to incorporate organizational learning for the sake of competitive advantage will require organizational operations to become eventually sustainable. In the case of FPSEs, an incentive to learn from the environment can also eventually result in an increased capacity to address societal problems, since learning from environment will make them more knowledgeable about their stakeholders. It can be argued that the valuable knowledge also resides in the enterprises’ employees. Moreover, previous research suggests that being a socially and environmentally sustainable company is an important factor in attracting and recruiting talent globally (Toma, 2012). That is, FPSEs that embrace learning from their employees also have an incentive to become more sustainable.

Successful organizational learning needs to happen at all levels of the for-profit social enterprise since it is no longer sufficient “to figure it out from the top and have everyone else following the orders of the grand strategist” (Toma, 2012, p. 423). Individual-level learning typically refers to the knowledge acquisition by different individuals within the for-profit social enterprise (Odor, 2018). When these individuals get together and share their newly-acquired knowledge, individual learning transforms into group-level learning. When different groups engage in knowledge-sharing in a way that new knowledge gains organization-wide legitimacy and becomes everyday practice, then group-level learning becomes organizational-level learning.
Comparing to the non-profit ones, FPSE do not depend on philanthropy and can sustain themselves over the long term through their income. As a result, they have to sustain themselves by their business operations and survive in business competition. Meanwhile they are facing more intensifying demands particularly resource constraints in their daily operation for improved effectiveness and sustainability. Organizational learning is perceived to have links to growth, competence and effectiveness. In the case of FPSEs, harnessing the benefits of organizational learning will have a potential to increase their ability to address societal problems in more effective ways. Therefore, studying organizational learning in the context of FPSE can have implications for practitioners who need to take into account the configuration of learning factors that influence the effectiveness, as well as promote sustainability.

Scandinavia has long been considered pioneering the development of the impact investing space, to be more progressive in values regarding the environment and society (Bruce, 2015). The universal welfare states in Scandinavia have historically been an active partner in the development of social entrepreneurship at national and municipal/local level. Social enterprises and co-operatives played a significant part in paving the way for the Nordic soliciaristic welfare state (Andersen et al., 2017).

1.2 Research Problem

As an emerging stream of research within the field of organizational studies, the study of social enterprises, especially in relation to organizational learning is still in the early stages of development (Hossain et al., 2016; Urban, 2015). In addition, the profit-seeking nature of FPSEs puts those enterprises in a very competitive environment, where they constantly need to adapt to the demands of the external environment to survive. That makes it necessary for such enterprises to consider strategic management tools such as organizational learning since adaptation of proper learning mechanism constitutes a sustainable competitive advantage. Moreover, if organizational learning is internalized within the FPSE at all levels of organization, it can increase the organization’s ability to focus effectively on societal issues and contribute to the advancement of sustainable development.

In spite of the importance of learning at micro and macro-economic levels, most of the existing organizational learning literature has been developed from the commercial enterprise perspective. The literature has yet to address the challenges associated with facilitating organizational learning in FPSEs to address the demands of sustainability. As reported by Rae and Carswell (2001), social entrepreneurship is one of the gaps in studies of organizational learning. There is a gap in research regarding how FPSE can engage in effective learning at individual, group and organizational level in order to come up with sustainable initiatives and ideas, mediate trust, transparency and long-term success as well as ensure its survival in a competitive market environment. Consequently, there is a need to employ the different units of analysis; namely individual, group and organizational level to explore the learning that happens in FPSEs. This research is therefore devoted to fill the gaps in literature by exploring how effective learning processes occur at individual, group and organizational level in FPSE to address sustainability.

As it was described previously, social innovation has been identified as an important tool for social enterprises that are struggling to survive in a competitive environment. Moreover, organizational learning has been seen as one of the tools which FPSE could utilize to manage the organizational knowledge which ultimately affects the social innovation and leads to its survival. Organizational learning can also constitute a sustainable competitive advantage for the for-profit social enterprise struggling to survive in turbulent
market environment characterized by the external pressure to become sustainable and be responsive to the needs of the environment. The adaptation of organizational learning can help FPSE to be better equipped to address societal problems such as climate change and poverty. Therefore, it can be argued that organizational learning is an important management tool for FPSEs that are willing to survive in a competitive market environment as well as to address the demands of sustainability. That is, it is necessary to study the learning process that happens in FPSE and come up with practical, as well as theoretical contributions.

1.3 Purpose and Aim

In light of the emerging of FPSE to engage in sustainable business practices and address societal problems, the empirical question arises on how FPSEs pursue processes of learning and change in the direction of sustainability management. This study thus analyses which forms of related learning processes in case companies can be observed, their effects and which factors can explain the emergence of those learning processes. These issues are addressed on the basis of an empirical analysis of four scandinavian FPSEs in the fields of agriculture, education, fashion and energy. The reason for focusing on those industries is that these sectors are highly affected by social and environmental problems. Sample companies, on the other hand, were selected on the basis of their demonstrated efforts to change their traditional practices and to effectively address sustainable development challenges, and specific selection criteria which is explained thoroughly in the section 3.2.1 (Table 2).

The purpose of this study is to add new knowledge about organizational learning in FPSEs for better understanding how FPSEs can facilitate organizational learning further and sustain themselves in increasingly competitive business environment characterized by the external pressure to adapt to the needs of the environment and incorporate sustainability paradigm to the operations over the long term. The study also aims to provide a fresh perspective and new lenses on analysing organizational learning through incorporating individual, group and organizational levels to the research problem. Moreover, since “social enterprise” part of “FPSEs” indicate that social enterprises exist at least in part to address societal problems, the study also aims to provide observations on organizational learning and its effect on improving FPSEs’ ability to address societal issues more effectively.

The study aims to fill the gaps in the literature on organizational learning in FPSEs by exploring how effective learning processes occur at individual, group and organizational level in FPSEs. Consequently, the utilization of different levels of analysis in FPSE is expected to extend the existing theory on organizational learning and bring about a better understanding of organizational learning specifically in FPSEs. The study also aims to bring managerial application in a way that will enable FPSE to effectively understand how learning process happens within their organizations in order to develop practical strategies for the future of their enterprises to address sustainability issues. It is expected that the findings and recommendations that are driven from analysing organizational learning in selected FPSEs will be applicable to other FPSEs.

1.4 Research Questions

Previous studies on sustainability-focused organizational learning noted that organizational learning is an important step towards sustainability, and that there are definite links between increased sustainable
development and learning in organizations (Nattrass & Altomare, 1999). Sustainable development and organizational learning are mutually supportive, an increased tendency towards learning enhances organizations’ ability to meet the challenges of triple-bottom line approach to sustainability (Naudé, 2012). Compared with large firms, social enterprises usually lack human and financial resources to create formal learning processes and practices (Urban & Gaffurini, 2018). However, according to previous research, there are some social enterprises that consciously or unconsciously learn systematically as a way to leverage their strengths, and to survive and grow (Urban & Gaffurini, 2018). This study is conducted with four case FPSEs in Oresund Region in Scandinavia which implements organizational learning in their daily operations to generate and transfer knowledge. The subsequent research questions focus on the organizational learning that happens on three levels, namely the individual level, group level and organizational level (Marsick, 2003) in FPSEs operating in Oresund Region in Scandinavia. The three-level learning model captures the whole process of organizational learning that happens in for-profit social enterprise to enhance sustainability.

This research seeks to provide answers to the following research question:

- How to facilitate the organizational learning at individual, group and organizational level in FPSEs to address the demands of sustainability?

To narrow it down, the following sub-questions which together helps to answer the ultimate research question posted above, will be analyzed in depth:

1. What dimension of organizational learning is more prevalent in the learning process in FPSEs, individual, group, organizational or a combination of some of them?
2. What kinds of activities are done in FPSEs to enhance organizational learning for sustainability?

Research questions that are stated above help the researcher to contemplate the data required and how it should be collected. The essence of the research lies in the process of organizational learning in the context of FPSEs. This will cover the individual learning and how that is collected, the knowledge sharing and spreading into the group and in which areas the knowledge is codified and manifested, then whether and how knowledge is managed and institutionalized within the organization. The study looks into the practical strategies and activities that FPSEs are taking to enhance both organizational learning and sustainability.
2. Theoretical Background and Analytical Framework

This part of the paper presents the essential theoretical understanding of the main concepts related to the organizational learning in FPSE from the existing literature and previous research. Additionally, the analytical framework for understanding organizational learning in three different levels, namely; individual, group and organizational level in FPSEs is discussed. Firstly, FPSE is defined thoroughly, taking into account the organizational learning process that happens within those enterprises. Secondly, organizational learning as a concept and its main components are defined and discussed in the context of FPSEs. Finally, the analytical framework combining organizational learning happening in three levels; individual, group and organizational through four processes; intuiting, interpreting, integrating, and institutionalizing with three learning assets; learning activities, knowledge source and learning outcome is presented. Theoretical background and analytical framework provides a background for understanding research problem theoretically, as well as providing guidance for categorizing and analysing empirical findings derived from the data collection.

2.1 For-Profit Social Enterprises (FPSEs)

Social enterprises emerged in the United Kingdom in the late 1970s, as a means to address the perceived deficiency of the traditional commercial enterprises to address a wide range of societal problems (Barone, 2019). Nevertheless, there is little consensus on the unified definition for the social enterprise, and the efforts to produce common definition by scholars has proven difficult. Some scholars apt for very minimalistic characterization of the social enterprises, arguing that any socially innovative organization can be considered social enterprise (Nicholls, 2012). Cadwell (n.d.) aptly define social enterprise "as a cause-driven business whose primary reason is to improve social objectives and serve the common good”.

For the purposes of this paper, social enterprise is defined as an organization that is created to fulfill the purpose of social entrepreneurship. In that context, social entrepreneurship refers to the process, while social enterprise is an organization created to ensure the fulfillment of that process. According to Tandon (2014), social entrepreneurship is “a process through which social value is created by utilizing entrepreneurial and business practices to address identified social discrepancies, and a set of activities undertaken to convert ideas into context-specific solutions to address social problems and bring about social transformation” (p.158). Austin et al., (2006) argue that one commonality among all the definitions offered for the social entrepreneurship is the preference of the creation of social value rather than profit. It can, therefore, be deduced that social enterprises exist chiefly to address societal and social challenges, and as such their main aim and purpose is to promote and institute a positive social change rather than seek profit. Therefore, they can be considered as one of the agents of change with the potential to advance UN Sustainable Development Goals further.

In financing their operations or activities, social enterprises generate income like every other business, but they reinvest all or substantial part of their income into solving social, issues, problems or challenges. In addition, social enterprises have both business and social goals, and as a norm their social goals are always embedded in their objectives, marked differences from the commercial organizations and corporations (Matthew, 2008). Social enterprises generally finance their activities through either external funding or income, or combination of two. Various types of social enterprises had been identified as trading enterprises;
community organizations; NGOs and charities and more recently social crowdfunding and micro-lending organizations (Borzaga & Defourney, 2001; Koutoudis, 2018).

Social enterprise sector has developed within the social economy sector, which is usually situated between the private and the public sector (Social Enterprise Alliance, 2019). Actually, the distinctive organizational forms that social enterprises apply rely on the entity exists and the legal forms available in each country. Moreover, the social enterprise sector today “includes both new typologies of organizations and traditional third sector organizations re-fashioned by a new entrepreneurial dynamic” (Social Enterprise Alliance, 2019, p.1). For this reason, the social enterprise concept does not seek to substitute concepts of the non-profit sector or social economy. Preferably, it aims “to bridge these two concepts by focusing on new entrepreneurial dynamics of civic initiatives that pursue social aims” (Social Enterprise Alliance, 2019, p.1).

Figure 1: Description of Social Enterprise Sector (World Bank, 2018)

Social enterprises can be structured as for-profit, non-profit or hybrid organizations. FPSEs are defined as entrepreneurial organizations in the form of proprietorships, partnerships, corporations, limited liability companies, and cooperatives that are “(1) legally incorporated for-profit entities with one or more owners who have a formal right to control the firm and who are entitled to its residual earnings and net assets, and (2) explicitly designed to serve a social purpose while making a profit” (Dees & Anderson, 2003, p.2). As
a result, FPSEs pursue dual-social and financial objectives to combine social purposes with a for-profit organizational form which require learning that improves their ability to address societal and sustainable challenges more effectively. Therefore, it can be deducted that unlike other social enterprises, FPSE have a structure that is designed for profit-seeking while also trying to bring about social impact. Anderson and Dees (2003) distinguishes for-profit social enterprises from three other forms of organizations that have the purpose of fulfilling some or all objectives of social entrepreneurship; namely; (1) non-profit business ventures which uses business tools to organize their work while being legally prevented from distributing financial income, (2) socially responsible businesses which maximize their profits while showing a respect to planet, communities, individuals and employees; (3) purely profit-motivated organization that operate in the social sector (p.2-3). The profit motive that characterizes FPSEs and the incentive to minimize expenses also has the potential to encourage innovative ways of achieving organizational goals and objectives, as well as social innovation (Dees & Anderson, 2003).

Taking into account the conceptualization of the FPSE offered by Dees and Anderson (2003), and the definition of the social entrepreneurship put forward by Tandon (2014), this paper defines FPSE as legal entities or organizations with dual social and financial motives that are formed to generate social value and provide solutions for societal challenges by utilizing entrepreneurial and business practices when organizing their work. As a result, FPSEs have the potential to be engaged with many global issues, such as climate change, poverty, sustainable energy, and etc. One common characteristic of FPSE, then, is the prevalence of using generated income through sales of its goods and services to finance its activities and generate financial value to its shareholders (Figure 2).

![Figure 2: Comparison of For-profit and Non-profit Social Enterprise (Gray Plant Mooty, 2017)](image)

### 2.2 Organizational Learning
#### 2.2.1 Defining Organizational Learning

Simon (1969) firstly defined organizational learning as the new organizational insights and the restructurings of organizational problems in its structural elements by the individuals within the organization. What is meant by the learning also differs in scholarly literature, with little agreement over
its ultimate meaning. Learning is usually referred by scholars as (1) knowledge (Hedberg, 1981); (2) new structures (Chandler, 1962); or combination of both. Organizational learning is also seen as “learning by encoding inferences from history into routines that guide behavior” (Levitt & March., 1988, p.320).

More recent literature, however, associates organizational learning more with the process and learning from experience rather than mere outcome of the knowledge acquisition within the organization. Scott (2011) defines organizational learning as “multilevel process where members individually and collectively acquire knowledge by acting together and reflecting together”. Tandon (2014) defines organizational learning as a “process, situated in the context of operations and enacted in practice, by which a work group acquires and utilizes knowledge to address roadblocks faced during its activities, identify avenues for improving existing level of performance and explore for new information for developing new products and processes” (p. 158). According to Senge et al., (2003) organizational learning refers to the “the continuous testing of experience, and the transformation of that experience into knowledge- accessible to the whole organization, and relevant to its core purpose” (p. 49).

Approaches to the study of organizational learning is usually associated either with the change in actual behaviors or the change in cognitive belief systems (Odor, 2018). Theories that adopt the change in cognitive belief system emphasize that the learning happens when organizations acquire knowledge without that change necessarily being evident in the behaviors. In that context, organizational learning is defined as “the process of developing open-minded inquiry and informed interpretation” (Day, 1994, p.89). On the other hand, theories that emphasize the behavior posit that the learning is most visible when it is clearly observable in actual practice. As a result, it can be argued that organizational learning can be viewed as either “cognition development” or “behavioral development” (Fiol & Lyles, 1985, p.805). Nevertheless, recently scholarly debate over whether the organizational learning should be considered as a change in cognitions and behaviors have significantly reduced, with many scholars now agreeing that organizational learning in organizational level happens when the change is visible in both cognitions and behaviors (Easterby-Smith et al., 2002).

Organizational learning also occurs within the context of its internal and external environment (Glynn et al., 1994). Factors that the organizational members have their control on such as organizational structures, organizational processes and organizational design are considered within the internal environment, while the external factors such as customers, market competition, political agents, legal systems, stakeholder pressure are considered to exist in the external environment of the organization. In the context of environment, it has been argued that environmental alignment between the organization and its environment, as well as acquisition of knowledge from both internal and external environment is usually the first strategic task of organizational learning to ensure the long-term survival of the entity (Fiol & Lyles, 1985, p. 804). According to Hussein and Ishak (2006), organizational learning, when adopted by the organization members, can increase the competitiveness of the organization, as well as its responsiveness to the changes happening in its external environment.

While there is a limited research on organizational learning specifically in FPSEs, the concept of organizational learning itself and its connection to sustainability is grounded in theory and research. It was already emphasized in the 1990s and afterwards when authors (Nattrass & Altomare, 1999; Senge et al., 2008) stressed the importance of organizational learning when using a sustainability approach. There is evidence that there are signs of increasing convergence between the concepts organizational learning and
sustainability, and that learning improves sustainability within the organization as well as helping organizations to incorporate environmental and social concerns into business (Senge & Carstedt, 2001; Molnar & Mulvihill, 2010). Furthermore, Jamali (2006) supports the view that an increased tendency towards learning enhances organizations’ ability to meet the challenges of triple-bottom line approach to sustainability. Therefore, it can be argued that the organizational learning can be considered as an important strategic management tool which can be applied in practice to enhance sustainability also within the organization.

For the purposes of this paper, the unified definition of organizational learning based on the previous research and literature is developed to guide the discussion throughout the paper. In that regard, organizational learning is defined as the process of knowledge and information acquisition and assimilation in a way that is conducive for the attainment and fulfillment of the value that the organization is trying to achieve. In the context of FPSE, organizational learning can be viewed as the process of knowledge acquisition in a way that are conducive for the achievement of double social and financial value that the enterprise is trying to achieve. The mission to achieve social value in FPSEs implies that proper knowledge acquisition also improves enterprise’s ability to address societal challenges more effectively, thus contributing to sustainable development.

For the process of organizational learning to happen within the organization, there has to be certain environmental conditions conducive for the facilitation of the learning process. In that regard, Fiol and Lyles (1985) proposes four main organizational factors that influence whether the learning process will arise in an organization. Firstly, organizational culture which consists of “the shared beliefs, ideologies, and the norms that influence organizational action-taking” should be conducive for the learning to happen. It was argued that values that organization inherit usually determines organizational strategy. Then, the direction developed from the value system usually determines what kind of behavioral and cognitive changes that the organizations are willing to tolerate. Secondly, organizational strategy which determines organizational direction and specific organizational goals is important. Third, and most importantly, organizational structure usually plays an important role on whether the organization will consider learning as an important part of its development. Mechanistic and highly bureaucratic organizations rarely allow the shift in routine organizational activities and belief systems, and they emphasize reinforcement of past behaviors. On the other hand, more decentralized structures are more flexible in allowing changes and shifts in belief and value systems, as well as in behavior to actually happen.

Huber (1991) claims that learning does not always contribute to the increase of learner’s efficiency and it does not always determine observable changes in behavior. In that regard, open distribution of information and knowledge is regarded highly important with respect to both occurrence and breadth of organizational learning. With respect to occurrence, Huber (1991) claims that new information can be obtained by linking together different pieces of information from multiple organizational units. Regarding breadth of organizational learning, it was argued that most enterprises are not consciously aware of their existing knowledge. Therefore, Huber (1991) states that information that is widely and openly distributed in an enterprise (having multiple sources of information) leads to minimization of retrieval efforts and to maximization of learning ability.

**2.2.2 Levels of Organizational Learning**
The level at which the learning takes place, and the categorization of organizational learning according to that process is also an important aspect that is studied in the academic literature. More recent literature on organizational learning usually refers to the organizational learning that takes place at individual, group and organizational level (Balbastre et al., 2003; Odor, 2018). That is, the process of organizational learning can happen not only through individual knowledge acquisition and assimilation, but also within groups operating within the organization which can later be stored in organizational memory. Therefore, proper organizational learning is considered more than the sum of the individual learning of the actors within the organization (Fiol & Lyles, 1985; Bain, 1998; Toma, 2012). The new knowledge can also be developed as a result of common action and common reflection between organizational members, therefore, organizational learning cannot only be regarded as the development happening within the individual members (Spender, 1996).

*Individual level* of learning is usually associated with making an individual acquire new knowledge necessary for his/her success as a member of the collective group, understand the working environment, and adjust the behavior in a way that is conducive for organizational success (Odor, 2018). Balbastre et al., (2003) defines individual learning as “a process through which the individual creates knowledge by interpreting and assimilating a diversity of tacit and/or explicit information” (p.254). In other words, new knowledge acquired as a result of learning process within the cognition of the individual organizational member depends on the information that is assimilated by the individual. Balbastre et al., (2003) argues that an individual’s past knowledge, as well as current values and principles, affects the learning process and becomes the framework for individual’s cognitive development and behavior.

The *group level* becomes more prevalent when certain kind of interaction happens between different organizational members who have just gone through the process of individual learning. That is, organizational learning happens within the groups, especially when different individuals within the organization share what they have learnt at individual level (Odor, 2018). In group-level organizational learning, communication and teamwork between different individuals is an important part of the learning process, as various individuals share and discuss the newly acquired knowledge, and reflect on it based on that sharing and discussion. According to Balbastre et al., (2003), the source of the information that group receives can be previous knowledge of the group members, other organizational members not belonging to the group, other groups within the organization, or other organizations. One apparent difference between learning at individual level and learning at group level is that at group-level, group learning becomes meaningful usually when consensus is reached among all group members that the newly acquired knowledge should be assimilated. Contribution by all group members, and coordination is also crucial for the process to happen effectively.

When different groups within the organization come together to share their newly acquired knowledge, the learning process reaches its final stage which is called the *organizational level*. At that level, learning is expected to be translated into instructions and guidelines accessible for all organizational members in the future (Amir-Kabiri, 2006). Knowledge that have been acquired and further developed by different groups are stored in organizational memory, usually through different databases, and those new insights become available for all members who need them (Odor, 2018). The formal memorization and institutionalization of newly acquired knowledge is a key factor that differentiates the learning that happens at an organizational level from the learning that happens at individual or group level. The source of the knowledge internalized and accepted at an organizational level can be previous knowledge acquired by individuals and groups
within the organization, as well as from other organizations, and previous organizational knowledge (Balbastre et al., 2003).

After incorporating individual, group and organizational levels of learning into the discussion, revised definition for the organizational learning in FPSE can be offered. Organizational learning in FPSE can be defined as the ongoing process of knowledge and information acquisition and assimilation, stemming mainly from the knowledge formulated at individual level, shared among different individuals through group learning, and finally recognizable and institutionalized through organizational level, in a way that is conducive for the attainment and fulfillment of the double value that for-profit social enterprise is aiming to achieve.

2.2.3 4I Analytical Framework for Organizational Learning

Following text describes the analytical framework that is used for analysing the data that is collected for the purpose of this research. The framework is solely based on three different levels of organizational learning which was introduced in the previous section, that is; individual, group, and organizational level of learning. The framework is an analytical tool to describe and understand the process of organizational learning in organizations.

A well-known framework of organizational learning in academic contexts, which integrates levels of learning as well as cognitive and behavioral changes as parts of the learning process, is the 4I Model of organizational learning (Crossan et al., 1999). Bearing in mind the individual, group and organizational levels of organizational learning, The 4I model sees the process of organizational learning through 4IS; (1) Intuiting, (2) Interpreting, (3) Integrating, and (4) Institutionalizing (Figure 3).

Intuiting is a preconscious recognition of a pattern or possibilities and is strongly an individual learning aspect. Intuiting enables the individual to perceive patterns in known and new situations, to know almost spontaneously what to do without conscious, deliberate, or explicit thought. During intuiting, the pattern and associated actions are familiar, but the underlying justification has receded from conscious memory. In addition, there is no language to describe the insight or explain the intended action. Consequently, while intuition may guide an individual’s actions, he or she cannot share this intuition with others.

Interpreting occurs when an individual insight is further fortified not only through an internal conversation but also with an interpretive process with others. This occurs at the individual and group levels. It is the process during which an individual picks up on individual learning conscious elements and shares it at the group level. In other words, this process moves from the pre-verbal to the verbal language. Interpreting is a social activity that creates and refines language through conversation and dialogue. Images are clarified by sharing perceptions, pieces of data, startling observations, and cognitive maps in a group. Furthermore, shared meaning and understanding are created. Interpretive processes move beyond the individual, and become embedded within the workgroup, reducing ambiguity. Moreover, language not only helps the individual and group members to learn, but it preserves – for better or for worse – what has been learned.

Integrating is based on two basic tenets; shared understanding and coordinated actions. The interpreting process merges into the integrating process. Repeated actions of certain routines are significant in this process. This is related to group learning. It is the process of developing a new and deeper shared understanding among individuals by means of continuing conversation in a group. This shared meaning
can result in participants’ spontaneous, mutual action adjustments once they agree on a course of coherent, collective action. Shared meaning also forms the basis of negotiated action, which often results in a behavioural change or development. By integrating individual interpretive processes, a shared understanding of what is possible is gained. Individuals interact with, and attempt to enact, this possibility.

*Institutionalizing* happens at the organizational level and it is a process where coordinated actions occur through a shared understanding which is a result of shared dialogue and joint actions among different groups within the organization. Repeated actions (Integrating) from which effective and formal rules and procedures are filtered as embedded routines. It is the process of embedding individual and group learning into the organization’s systems, structures, strategy, routines, prescribed practices, and investments in information systems and infrastructure. Tasks are defined, actions specified, and organizational mechanisms established to ensure that certain actions occur in the future.

![Figure 3: 4I model of Organizational Learning (Crossan et al., 1999)](image)

The value of the framework lies in its integration of three levels of learning into the same model, namely individual, group and organizational learning, and of two routes of learning: from the individuals to the organization as well as from the organization to the individuals. Not only does learning occur over time and across levels, but it also creates tension between assimilating new learning (feed forward) and exploiting or using what has already been learned (feedback). Through feed-forward processes, new ideas and actions flow from the individuals to the group to the organization levels. At the same time, what has already been learned feeds back from the organization to group and individual levels, affecting how people act and think. The concurrent nature of the feed-forward and feedback processes create a tension, which can be understood.
by arraying the levels against one another, as shown in Figure 3. In this way, apart from the processes that feed forward learning from the individual and groups to the organization, learning that has been institutionalized feeds back and influences individual and group learning (Crossan et al., 1999). The importance of these interactions can be highlighted by two relationships that are especially problematic: interpreting-integrating (feed forward) and institutionalizing-intuiting (feedback) (Crossan et al., 1999). The sensemaking aspects of the 4I framework highlight its relevance to our aim of exploring organizational learning and sustainability because of the multiple and diverse ways in which the sustainability concept can be interpreted across an organization (Angus-Leppan et al., 2010).

Table 1: Four learning processes in organization through three levels. (Crossan et al., 1999)

<table>
<thead>
<tr>
<th>Level</th>
<th>Process</th>
<th>Inputs/outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual</td>
<td>Intuiting</td>
<td>Experiences</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Images</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Metaphors</td>
</tr>
<tr>
<td>Group</td>
<td>Interpreting</td>
<td>Language</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Cognitive map</td>
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<tr>
<td></td>
<td></td>
<td>Conversation/dialogue</td>
</tr>
<tr>
<td>Organization</td>
<td>Integrating</td>
<td>Shared understandings</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mutual adjustment</td>
</tr>
<tr>
<td></td>
<td>Institutionalizing</td>
<td>Interactive systems</td>
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<td></td>
<td></td>
<td>Routines</td>
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<td></td>
<td></td>
<td>Diagnostic systems</td>
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<td></td>
<td></td>
<td>Rules and procedures</td>
</tr>
</tbody>
</table>

2.3 Organizational Learning and Sustainability

Sustainable development is defined as “the development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (WCED, 1987). According to Elkington (1997) who introduced “triple-bottom line” approach in sustainable development literature, sustainability of any endeavour should be assessed in terms of its impact on environmental, social, and economic well-being, so called the three pillars of sustainability. In the organizational context, it can be argued that it means that organizational results that have a positive effect on one or more of those spheres is sustainable.

The significance of organizational learning for sustainability has been very well addressed in academic literature on organizational studies. More recent literature has stressed the importance of organizational learning in increasing an organization's ability to address societal problems and turn the external pressure to become more sustainable into competitive advantage (Senge & Carstedt, 2001; Molnar & Mulvihill, 2010; Jamali, 2006; Toma, 2012). As a result, the term “sustainability” has been incorporated to the study
of organizational learning (Ramirez, 2012). Moreover, pursuing sustainability both inside and outside of the organization, in the form of ensuring that business operations has a positive impact on environmental, social and economic well-being has become a pressing concern for many organizations (Senge & Carstedt, 2001). Convergence and links between organizational learning and increased sustainability have been observed with the idea that the organizational learning and proper knowledge acquisition enables individuals, teams and organizations to better meet the challenges of sustainability and a triple-bottom line balanced approach to the implementation of sustainability (Smith & Sharicz, 2011; Toma, 2012).

A study by Yusmazida et al. (2019) on 168 managers of manufacturing small and medium-sized enterprises in Malaysia to examine the relationship between organizational learning and business sustainability have significant points. The study found that organizational learning capability have significantly positive relationship with business sustainability. Within a society where there are ever increasing sustainable development challenges, some sustainability educators and policy-makers are creating an increasing awareness and are emphasizing that in general people need to develop capacities and behaviours that will enable them to contribute to sustainability compatible lifestyles, systems at both an individual and collective level. Sustainability is very complex and is influenced by different internal and external stakeholders in different contexts who have different beliefs, needs and values. In addition, the world is constantly changing and there seems to be an ever-present uncertainty. Along this line of thinking, it is clear that the traditional problem-solving approach (which reduces the world and its challenges to solvable and manageable problems) has become ineffective. Consequently, it is evident that leaders, managers and practitioners cannot approach sustainability as problems or issues to be resolved and managed. There needs to be shift from “doing things better” (as in the traditional problem-solving approach) to “doing better things”. This shift necessitates building sustainability competence. Sustainability competence includes the capacities and qualities individuals, teams and organizations need to enable them to effectively and efficiently address sustainability challenges internal and external to the organization. The shift to sustainability needs a reflexive, systemic approach and an ever-changing way of thinking. In addition, sustainability competence should equip individuals, teams, organizations and communities to be more resilient and reflective and to be more effectively equipped to manage and respond to change and the emergent crises and to deal with conflicting standpoints and perspectives. The dilemma is that as soon as the set challenges have been met, the context and the related challenge would have changed or shifted once again (Wals & Jickling, 2002; Wals & Schwarzin, 2012; Beck, 2008; Wals, et al., 2009). Organizational learning provides the opportunity and the avenue to develop sustainability competency and address the sustainability challenges.

According to Senge et al., (1999) “sustainable development can’t be achieved without innovation, and innovation is best achieved in a culture that embraces and fosters learning and change” (p.535). Moreover, for organizations that make sustainability as an organizational priority, “the understanding and practice of the organizational learning disciplines will be the indispensable prerequisite of a successful transformation to sustainability” (Nattrass & Altomare, 1999, p.5). In addition, through constant learning, employees develop a framework through which it becomes possible to identify what is sustainable and what is not sustainable (Nattrass & Altomare, 1999, p.25). Therefore, it can be argued that by developing strong organizational learning capabilities enterprises have the potential to better address the societal challenges associated with the advancement of sustainable development. For an enterprise to be considered to have embraced the sustainability-oriented organizational learning, there should be “leadership within the company in the pursuit of sustainability and the triple bottom line, from the top, middle and bottom levels
(and ideally at all levels)” (Molnar & Mulvihill, 2010, p. 170). That is, it is necessary that the study of organizational learning in the context of pursuing sustainability should cover more than one unit of analysis, since it is no longer acceptable to talk about learning being enforced from top to bottom by the grand strategist.

Sustainability within an organization is a continuous process of co-evolution rather than maintaining the status quo. This view necessitates a dynamic process which is underpinned by learning to create and develop new structures and ways of working to change and adjust and to continuously change and adjust to ever changing challenges and conditions (Mitleton-Kelly, 2011). It is believed that the implementation of sustainability in any organization needs organizational learning (Siebenhüner & Anold, 2007). Organizations that neglect and do not change sustainability issues into competitive advantage are likely to become less effective and thus unable to survive in the market competition. Learning and development processes are believed to be an important road towards the sustainability agenda (Müller & Siebenhüner, 2007).

2.4 Organizational Learning in FPSEs

As it was explained previously, social entrepreneurship is “a process through which social value is created by utilizing entrepreneurial and business practices” (Tandon, 2014, p. 158). Since FPSE is one of the distinct ways through which the potential of social entrepreneurship is realized, the creation of social value is one of the double missions (financial and social value creation) of FPSEs. In that context, embracing sustainability in the form of being responsive to the needs of the environment will certainly constitute sustainable competitive advantage for FPSEs. Moreover, that aspect is likely to make FPSEs better equipped to meet their business needs which is to create social value. As a result, it is possible to post that embracing sustainability is likely to make FPSEs more competitive, as well as increasing their ability to address societal needs associated with the advancement of sustainable development agenda.

FPSEs being a hybrid form of profit making and social beneficial organizations need to adopt and embrace new strategies in order to develop and upgrade their skills, competence and capabilities in order to meet the growing pressures from the external environment to become more sustainable, as well as to address societal challenges in a more effective way. For FPSE to continually stay afloat in business, there is a need to adopt a process for knowledge assimilation. This is necessary considering that knowledge is the biggest asset of any organization that is worth its salt (Anders, 2001). Knowledge assimilation and transfer can only be acquired or be more effective through structured learning process which can only be possible through organizational learning. Simply put, organizational learning is a learning process, necessary for the growth and expansion of FPSEs, as well as for them to address societal challenges effectively.

Argote (2013) reiterate that as social enterprises gain more experience owning to years of operation, organizational learning allows social enterprises to draw knowledge from their respective acquired experiences. This implies that the critical process of organizational learning necessary for social enterprises also includes the transfer of experience into organization-specific knowledge. Institutionalizing process which happens in organizational level in that context can be described as one way of transferring that knowledge. Organizational learning revolves around the adoption and implementation of managerial practice, process or tool that is novel to the concerned FPSEs, and which is intended to enhance the
management efficiency (Chan-peng et al., 2017). More importantly, organizational learning helps FPSEs to increase and improve their productivity, efficiency, reliability and/or quality of production or services. The resultant implication of this is that FPSEs’ revenue base is expanded thereby allowing them to have enough funds to invest in addressing societal challenges further.

If properly implemented, organizational learning within FPSE can influence technological capability and management practices or process of the organizations (Chan-peng et al., 2017). Likewise, considering the turbulent nature of the business environment characterized by strong pressure from external stakeholders to become sustainable and address societal challenges in a better way and given the enormous responsibility of an average FPSE to create social value, there is grave pressure on social enterprises to break even. Thus, to have a competitive edge, there is a need for FPSEs to be innovative, adaptive and proactive. In other words, FPSEs require strategic mechanism to survive in increasingly turbulent market environment. The adaptability and proactiveness required from FPSEs is strongly connected to their learning process. Enterprises that cannot fine-tune their learning process (organizational learning) are at the brinks of regression or lost productivity, thus critically affecting their revenue base and the ability to address pressing social problems.

To describe and categorize the organizational learning assets identified in observed FPSEs, AKO (activity, knowledge, outcome) framework is presented in this paper. Through that framework, organizational learning assets in FPSEs can be divided into three subcategories, namely; learning activity, knowledge source, and learning outcome.

2.4.1 Learning Activity

Learning activities are elements, contributions, or interventions into the organizational learning processes which should contribute to achieving the organization’s strategic objectives (Easterby-Smith et al., 1999). In the same vein, all learning activities should engage participants actively, constructively, purposively and cooperatively. Likewise, the context should be original and novel. Learning activities should be intended to enable employees to demonstrate that they have acquired the desired skills and knowledge in FPSEs.

According to Siemens and Tittenbeiger (2009), learning activities are a series of activities targeted toward learning. Simply put, it refers to what learners and the facilitators do when within a learning, events that are expected to bring the desired learning outcomes happen. It involves dissemination, discussion, discovery and demonstration activities. Learning activities ensure participants’ development and advancement and it generally draws on or build upon previous experience and knowledge of the participants or learners, and as such should be devoid of repetition in order for learners to further develop their skills, knowledge, expertise and understanding in diverse way such that it will bear on their productivity or output.

2.4.2 Knowledge Source

Before inquiring where knowledge comes from, it is pertinent to first define the terms “knowledge” and “source”. Argote and Miron-Spetator (2011) define knowledge as an indicator of organizational learning, i.e. organization learning only take place when there is a change in the knowledge of an agent, whether that agent is individual, group or organization. Merriam-webster dictionary defines source as a point of origin or firsthand document or primary reference work. Hence, knowledge source can be defined as the origin of elements that identify organizational learning.
Knowledge are in two distinct forms and they are identified as tacit and explicit (Nonaka & Takeuchi, 1995). Tacit knowledge is a personal type of knowledge that cannot be shared either through written or verbal communication, as it can only be learning through experience i.e. observing the one who have the knowledge. On the other hand, explicit knowledge is knowledge that are easily transferable either through written or verbal. As it was explained previously, for the purposes of this paper organizational learning in FPSE is defined as:

“The process of knowledge acquisition in a way that are conducive for the achievement of double social and financial value that the for-profit social enterprise is trying to achieve.”

Therefore, if organizational learning is considered as a process, then the knowledge is the generator of this process regardless of whether that knowledge is tacit or explicit. Interestingly, knowledge is also heterogeneous in nature, that is, it can be sourced or derived from different and diverse sources. It can be in the form of a set of defined data, objective facts as regard an event or occurrence, value-adding data and sometimes experience, which is usually generated through exposure and long term application of knowledge.

Another organizational learning framework is a taxonomy of knowledge adapted from knowledge management literature. Knowledge is defined as “information in action”. Instead of distinguishing types according to the form of knowledge, the distinction is made based on the content of knowledge. The three types of knowledge are (Alavi & Leidner, 2001):

• **Strategic knowledge** – “knowing why”, knowledge about the objectives of the department, its mission and effects expected from the department.

• **Operational knowledge** – “knowing how”, operational knowledge about tools, procedures that allows us to act smoothly, on time and in accordance with regulations.

• **Contextual knowledge** – “knowing what”, knowledge about the environment in which the department operates, understanding the trends, relations and causal connections policy in the department’s field of expertise. For instance, a sales representative whom has undergone training to know which product is adequate from different circumstances can be referred to have a "know-what" type of knowledge.

### 2.4.3 Learning Outcome

If organizational learning is regarded as a continuous process of learning then the outcome is “the result of organizational and individual learning processes” (Haho, 2014, p.54). Learning outcomes are skills or expertise expected of an individual after undergoing a learning activity. Learning outcomes can also be categorized as “new tacit or explicit knowledge, new action or artifacts” (Haho, 2014, p.54). Simply put, it is the essential thing that individuals are expected to know or do after learning happens. A good learning outcome should be able to emphasise the transfer, usage, application and integration of knowledge rather than only the coverage of the learning activities. Using Smart goals checklist, a criteria for sound and critical learning outcomes can be formulated (Esposito, 2015):

- **Smart**: learning outcomes must be stated explicitly, well defined such that it will be easy to understand.
- **Measurable**: it should be quantifiable such that it will be easy to decipher when learning outcome has achieved its intended goals.
- Agreed upon: the participants and instructors (external advisors) most generally concur with the details in a learning outcome.
- Realistics: it must be something that can easily be achieved given the available human and material resources at that time.
- Time-framed: it must have a time-limit in which all the content must have been expected to have been completed or achieved.

In the same vein, for a learning process to be said to have fully achieved its intended goal or to be referred to as an effective learning outcome, sufficient evidence must reveal that participants can remember, understand, apply, analyse, evaluate, create the knowledge or skill acquired (Borzaga & Defourney, 2001). Moreover, after an effective learning outcome participants should be able to recall, explain, interpret, compare, differentiate, implement, judge and create an exact replica of the learning activities (Anders, 2001).

2.5 Analytical Framework for Understanding OL in FPSEs

Putting everything together, it is possible to combine two theoretical frameworks in organizational learning introduced in previous sections, namely; 4I framework for Organizational Learning and AKO (activities, knowledge source, outcome) in one section to refer to the organizational learning that happens in FPSEs (Figure 4). AKO framework can serve the purpose of describing learning assets in FPSEs empirically, while 4I framework for organizational learning can illustrate organizational learning process from the perspective of three levels; individual, group and organization.

Firstly, Intuiting enables individuals within FPSE to perceive patterns, to decide what to do in specific situations, and learn from these situations either consciously or unconsciously. Being strongly individual learning aspects, individuals generally do not share this intuition with others at intuiting level. Secondly, Interpreting happens when knowledge formulation becomes group activity and when different individuals within an enterprise decide to share their initial intuitions with one another in group settings. Through socialization with other individuals images are clarified, perceptions are formulated, and cognitive maps are developed. Thirdly, Integrating allows individuals whose perceptions are shaped from interacting with one another to coordinate their actions in larger group settings. Moreover, deeper shared understandings are formulated at this level. Finally, Institutionalizing happens in organizational level when repeated actions during the process of integrating becomes embedded in organizational memory of FPSE making it accessible to everyone in the future. Moreover, Feed Forward process allows learning to move from individual level to the organizational level in FPSE, while what has already been learned in FPSE feeds back from organizational level to group and individual level through Feedback process. As a result of these two processes, what is learned and stored in FPSE always moves from individual to group and organizational level, and vice-versa.

AKO framework (Learning activities, knowledge source and learning outcome) is related to 4I Framework as it can help the researchers understand how learning triggers, develops and influences within each of the four processes. A combination of the two is best at exploring these learning contexts and related issues would be valuable. The proposed model aims to depict an ongoing process through which task performance experience is converted into knowledge that in turn changes the organization’s context and affects future experience. The model also highlights the different roles that learning activities can play in supporting
learning processes at the individual, group and organizational levels. Organizational learning occurs in a context that includes the organization and learning assets in FPSEs in which the organization is embedded. It builds upon the previous theories which provided an outline for understanding organizational learning, with the aim of describing organizational learning assets and processes.

**Figure 4:** Analytical Framework for Understanding Organizational Learning in FPSE
3. Methodology

Following chapter of the paper describes the research methods and techniques that have been used for this study. Firstly, the context of the study alongside with the questions of induction and deduction are addressed. Ontological considerations are established, and the explorative purpose of the paper along with the reasons for choosing this specific research approach. Secondly, research design, criteria for choosing selected case companies, data collection and analysis tools that have been used for this study are explained thoroughly. Finally, the criteria that has been adopted to measure the trustworthiness and reliability of the research, as well as the limitations of the study are presented.

3.1 Research Approach

The study was conducted within the context of FPSEs that generate income, as opposed to solely relying on external funding. The main search criteria for FPSEs were set to include the entities that aim for social return, alongside with financial return, apparent in either their mission/vision statement or indicated through initial short interviews conducted with the organizations. In terms of geographic location, the search was limited to the FPSEs whose main operations take place in Oresund region in the Scandinavia, mainly comprising the urban centers of Malmö, Helsingborg, Lund and Copenhagen. In total, eighteen FPSEs were identified as a result of the initial search. After the initial contact with eighteen FPSEs, four of them have been chosen as main research subjects. Those enterprises have been selected based on practicality, the level of willingness to cooperate with the research team, geographical proximity, as well as the relevance of the enterprises and their activities to the research problem (Table 2). The approach that has been taken for this study is explorative. Since, the research problem for this study is mainly concerned with discovering and observing the current state of organizational learning in FPSEs, and identifying it with individual, group and organizational levels and the paradigm of sustainability through analysis, the explorative approach was determined to be the most suitable approach for this research.

In social sciences, the ontology is most commonly used in relation with objectivism and constructionism. This study follows a constructionist approach. Constructionism is “an ontological position (often also referred to as constructivism) that asserts that social phenomena and their meanings are continually being accomplished and created by social actors, and that social phenomena and categories are in constant process of revision” (Bryman, 2012, p.33). That is, in direct opposition to the objectivist position that “categories such as organization and learning are pre-given and therefore confront social actors as external realities that they have no role in fashioning”. In other words, the concepts that have been studied for the purpose of this research such as “organizational learning”, “sustainability”, “knowledge” and “for-profit social enterprises” are not treated as objective realities with little prospect of revision. The researchers assume that meanings and definitions given to concepts as such are the outcomes of the interactions between different actors within different units in the context of organizations; namely individuals, groups and organization. That is, those concepts are considered to be created and constantly revised by actors, rather than being objective reality existing independent of the human interactions.

3.2 Research Design

In accordance with the established research problem and questions, the qualitative research was conducted in a way that would enable researchers to identify consistent themes across four identified FPSEs.
Considering the aim of this thesis – namely to explore the organizational learning in selected FPSEs and to inquire about the possibility of improving the learning process through individual, group and organizational level to address the paradigm of sustainability – a qualitative research design was found as the most appropriate one to tackle this objective. As it was described previously, the paper follows constructionist point of view. That is, notions such as “organizational learning” and “for-profit social enterprise” are considered to be the outcomes of the interactions between different agents. In comparison with quantitative research, qualitative research “tends to be concerned with words than numbers” (Bryman, 2012, p. 380). Therefore, qualitative research with its focus on the words within the context would allow researchers to conduct research and gather data in a way that fits this particular ontological perspective of the study. Additionally, the research uses a case-based design, with the aim of exploring four different FPSEs and identifying consistent themes among them. The study treats selected FPSEs as different cases that can be analysed against one another.

Case study design was chosen as it would assist in gaining an understanding of the organizational learning process that happens in selected FPSEs. This research design is particularly useful when researchers seek to acquire in-depth knowledge about complex topics, especially when the theory is limited and the context is highly relevant (Jans & Dittrich, 2008). In order to reduce the concerns about external validity, Yin (2009) suggests that researchers should prefer to conduct multiple case studies when it is possible. Hence, a multiple case study has been conducted instead of a single case study since evidence from more than one case increases credibility, and it is more convincing and allows direct replication.

3.2.1 Selection Criteria for Cases

According to Eisenhardt (1989), when building theory from case studies, the selection of cases themselves should follow a theoretical approach – for example, to fill theoretical categories or provide examples of polar types. In this research the selected cases operate within different industries in Oresund region, in Denmark and Sweden. Moreover, participating FPSEs for the research were carefully chosen based on five criteria (Table 2).

Table 2: Criteria for choosing FPSEs from the sample of collected social enterprises:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>An organization must be a for-profit social enterprise; it should aim for both financial and social value</td>
<td></td>
</tr>
<tr>
<td>A social enterprise must be a well-established organization; which includes having an official website, having social media channels with a consistent followers; the selected company must be using different learning approaches on a regular basis in order to enhance transfer and sharing of knowledge between employees;</td>
<td></td>
</tr>
<tr>
<td>The organization must have a commitment to sustainability or UN Sustainable Development Goals as part of their business proposition in some form;</td>
<td></td>
</tr>
<tr>
<td>A founder or co-founders of the organization must give their consent for their participation in the research;</td>
<td></td>
</tr>
</tbody>
</table>
One of the organization’s employees or team members must give their consent for their participation in the research.

**Table 3**: Selected case companies from the sample based on the selection criteria (Table 2):

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Description</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company A</td>
<td>An agriculture company with self-described commitment to sustainable agroforestry technology</td>
<td>Copenhagen, Denmark</td>
</tr>
<tr>
<td>Company B</td>
<td>A training and coaching organization established to contribute to the social inclusion process of newly-arrived immigrants to Skåne region in Sweden</td>
<td>Helsingborg, Sweden</td>
</tr>
<tr>
<td>Company C</td>
<td>A second-hand fashion exchange platform, aiming to promote sustainable consumption and lifestyle</td>
<td>Malmö, Sweden</td>
</tr>
<tr>
<td>Company D</td>
<td>A cooking stove provider based in Denmark working for clean, reliable and renewable fuel generation and consumption in Bhutan</td>
<td>Copenhagen, Denmark</td>
</tr>
</tbody>
</table>

### 3.3 Data Collection

The data collection is based on the qualitative data methods with the use of semi-structured interviews with open-ended questions, interviews via email, direct and participant observation techniques, as well as screening of the websites of the selected FPSEs to gather necessary documents. The data for this research is mainly obtained from the primary sources. Primary data refers to raw data obtained by the researcher from the field. Main primary data collections tools used for this research are interviews and observations. In addition to the main data collection tools, secondary data collection methods such as screening the website of the enterprises and collecting the information on organizational mission is also used. To establish the ethics of the research, all the organizations and interviewees were assured that their responses, inputs, and documents would not be used for purposes other than research, and that they can withdraw from the research process anytime they wish.

The main purpose of the utilization of data collection methods was to gather empirical data on existing learning process within individual, group and organizational level in four selected FPSEs. In the following part of the section, the data collection tools that are used for the purpose of this study; namely interviews, observations and documentary analysis are explained in more detail.

#### 3.3.1 Interviews

To get an understanding of the organizational learning process, the interview questions were addressed respectively to the founder level and the employee level of the selected FPSEs. For each case, the founder or co-founder as well as one employee were interviewed, and this helped researchers to gain an
understanding of organizational learning from different perspectives. Interviewing people working in different positions from each FPSE is justified on the grounds that the aim of the thesis is to analyse the organizational learning from individual, group and organizational level of the enterprises.

People with position of the founder and co-founders were selected since they were considered to be the first main contact person in their organizations who were actively involved in strategic management and organizational development. Proper organizational learning includes at least three levels namely; individual, group and organizational. To ensure that this study can capture the phenomenon in its totality, founders’ perceptions were critical. Total of four interviews were conducted with the founders or co-founders. The interviews lasted from 1 hour 30 minutes to 2 hour 15 minutes. Each interview constituted four distinct parts; relative to the 4I Model, with each part having separate questions and discussion themes. Three of the four interviews were conducted face-to-face with the established offices of the enterprise, while one interview was conducted online through the use of Skype. The interview guide seeks to elicit information from management on their opinion or views about organizational learning in their enterprises. The questions in the interview guide provided a basis of conversation with the selected enterprises (please see Appendix A). A total of 28 questions were asked to the interviewees. The questions were designed in a way to gather general information on selected enterprise, as well as to get the sense of organizational learning that happens within those enterprises within three levels; individual, group and organization. In order to address the concerns of sustainability and gather data on this issue, the questions on topics such as considering external environment for knowledge acquisition, learning from employees, responsibility-sharing were asked and the relevant data was gathered. The choice of these topics are justified on the grounds that as it was established in theoretical background part of this paper, adapting to the needs of the environment and knowledge acquisition from wide sources such as employees and other competitors constitutes sustainable competitive advantage for FPSEs, while also increasing the enterprise’s ability to address societal challenges.

Moreover, organizational learning is concerned with developing, connecting, and empowering knowledge workers at all levels of the organization and with ensuring the enterprise can access, learn from, and leverage what it knows to create business value (Ives & Combs, 2012). In order to gain a comprehensive understanding of the learning in those social enterprises, employees’ perception towards organizational learning and sustainability should be taken into account as they are perceived to be the most direct participants during the whole learning process. Therefore, a total of four semi-structured interviews were conducted with each employee from FPSEs. Interviews were conducted via emails to explore the employee’s views on organizational learning through three different levels in their workplace (See Appendix B). In addition to organizational learning through three levels, the questions regarding the enterprise’s sustainability commitment, as well as its priorities towards solving societal challenges were asked to the employees. Considering that the time that the researchers were collecting data was summer vacation in Scandinavia and most of the staff were absent from work, email interview was chosen as the most appropriate form of data collection in employee level, as it can invite participation of geographically dispersed samples of people rather than requiring them to travel to the location of the participant during the vacation time. The use of email in research also decreases the time cost of transcribing mostly existent in regular interviews. Moreover, data from e-mail interviews are generated in electronic format and require little editing or formatting before they are processed for analysis.

Table 4: Details of all the conducted interviews
### Interview Details

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Organization</th>
<th>Position</th>
<th>Interview Mode</th>
<th>Language of the Interview</th>
<th>Interview Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interviewee 1</td>
<td>Company A</td>
<td>Founder and CEO</td>
<td>Face-to-face</td>
<td>English</td>
<td>3 May 2019</td>
</tr>
<tr>
<td>Interviewee 2</td>
<td>Company B</td>
<td>Co-founder and CEO</td>
<td>Online video call</td>
<td>English</td>
<td>6 May 2019</td>
</tr>
<tr>
<td>Interviewee 3</td>
<td>Company C</td>
<td>Founder and CEO</td>
<td>Face-to-face</td>
<td>English</td>
<td>9 May 2019</td>
</tr>
<tr>
<td>Interviewee 4</td>
<td>Company D</td>
<td>Co-founder and Funding Manager</td>
<td>Face-to-face</td>
<td>English</td>
<td>17 May 2019</td>
</tr>
<tr>
<td>Interviewee 5</td>
<td>Company A</td>
<td>Sustainable Development Consultant &amp; Operational Officer</td>
<td>Email</td>
<td>English</td>
<td>16 July 2019</td>
</tr>
<tr>
<td>Interviewee 6</td>
<td>Company B</td>
<td>Communication Officer</td>
<td>Email</td>
<td>English</td>
<td>5 August 2019</td>
</tr>
<tr>
<td>Interviewee 7</td>
<td>Company C</td>
<td>Volunteer staff</td>
<td>Email</td>
<td>English</td>
<td>19 July 2019</td>
</tr>
<tr>
<td>Interviewee 8</td>
<td>Company D</td>
<td>Team member</td>
<td>Email</td>
<td>English</td>
<td>18 July 2019</td>
</tr>
</tbody>
</table>

### 3.3.2 Observation

In addition to the interviews, one researcher within the research team had to chance to become a participant observant in Company A for one month to gather more data, while two researchers became direct observants in Company C in one day. The observers had therefore the ability to observe part of the industry, learning activities, learning outcomes, as well as the knowledge management within the organization. Participant observation refers to the observation in which researchers become part of the culture or the context which is being observed (Trochim, 2000). On the other hand, direct observation refers to the observation technique in which the research stay detached from the organization and do not try to become part of the context which is being studied. The observations were done in completely unstructured way. The observer had few open-end interest areas in mind when doing the observations. The thought-in-mind was to map out the learning processes in those organizations, based on the observations. The observers were often participating in the situation, such as when certain activities or events were being held to generate learning and knowledge sharing within the organization. The observations were written down as notes and analysed in the paper. The write-up of the observations can be found in Appendix C. The data gathered through observations alongside with other data collection tools is presented later when exploring the learning process of observed FPSEs.
The utilization of observation as the data collection methods, alongside with interviews, was due to the inability to gather enough data from Company A and Company C through interviews and organizational documents. Another positive aspect with using observation method is that the data collected through observation is the original one that occurred at the original time, and not the participants looking back at the situation and analysing the situation. Being on site over a period of time familiarizes the observers to the companies, thereby facilitating involvement in learning activities to which contributed to answering the two research sub questions: which level of learning is more prevalent in those organizations and what activities can be employed to facilitate their learning.

3.3.3 Document analysis

The data collected through the interview and observation process provided the majority of the findings, whilst certain supporting documents were also collected wherever and whenever possible. This included company brochures and data such as organizational mission from the websites of the organizations. Documentary analysis focuses on what is contained within these documents, i.e. the content of the documents, which can be texts, figures and/or tables (Given, 2008). As may be expected in FPSEs, such documentation was partial, and whilst it was useful in confirming certain information referred to by employees, it contributed to the data gathered as the documents from these companies help researchers to reach “inaccessible persons or subjects” (Cohen, Manion & Morrison, 2008:201).

For this particular study, document analysis was chosen as it gives an opportunity to analyse information to build a wider platform of background knowledge on the topic, which is almost impossible to get by through other data collection methods. Another advantage is that these documents are easily accessible to the research team. For example, reports prepared by enterprises are based on studies for a period of time, which is impossible to conduct by one researcher. Therefore, these types of documents were very useful for this research and most of them were available through official web-pages of selected FPSEs.

3.4 Data analysis

The content analysis approach was followed to analyse the collected data from the selected FPSEs. Eisenhardt (1989) and Easterby-Smith et al., (2015) suggest that there are different ways to frame the data in order to make sense of it. Furthermore, it was highlighted that the selected data analysis approach usually depends on the research question, research design and type of data collected. For this thesis, the purpose was to present the breadth of organizational learning processes existent in selected FPSEs in individual, group and organizational level by collecting empirical data. Therefore, the content analysis was chosen to be the most relevant technique for data analysis.

According to Weber (1990), the qualitative content analysis is a method to subjectively interpret the content text via systematically coding. The goal of content analysis is “to provide knowledge and understanding of the phenomenon under study” (Hsieh & Shannon, 2005). Thereby, one of the most significant advantages of using this approach is that not only codes can be predefined, but also new codes can emerge at any point as a result of the further analysis. This is particularly important for this particular research since one of the aims of this study is to identify new categories of challenges that have not been covered by the theory and therefore are not included in the initial framework which was thoroughly presented in theoretical framework part of this paper. Thus, using the categories of the theoretical framework, some codes such as “employee”,

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“knowledge”, “learning”, “training”, “network”, “sustainability” or “database” were predefined. On the other hand, since this research follows a qualitative approach, new codes were identified during the interviews and they were consequently added to the template. In the same sense, codes that were found irrelevant after conducting the analysis, were eliminated to minimize unnecessary noise during the research.

3.5 Evaluation and Limitations

Unlike quantitative research, quality in qualitative research is more related to the way the research was conducted rather than focusing on the idea of standardization and control (Flick, 2007). Nevertheless, the investigators following a qualitative approach also aim at their results being accurate and credible (Easterby-Smith et al., 2015). In order to establish the trustworthiness of the research, Lincoln and Guba (1985) describes four main interpretive criteria which has also been adopted by the research team as the main criteria for assessing the trustworthiness and quality of the application of the selected research methods to the study:

1. Credibility implies that whether links between findings and categories are rational and logical; whether the data confirms the findings; and whether other researchers would be able to agree to the findings (Eriksson & Kovalainen, 2008). In this research, all interviews were transcribed and the transcripts have been sent to the interviewees for approval and for verifying if there were some inconsistencies in their statements.

2. Transferability (or external validity) refers to the generalizability of the research results (Seale, 1999). To address this issue, the perceptions of different people working in different positions within four different FPSEs have been taken into consideration to gain a general perspective regarding the learning process within the organization, thereby potentially strengthening any theoretical findings or practical recommendations that the study might bring about. In later parts of the paper, the authors draw parallels from the chosen context based on the 3 levels of 4I learning framework (Crossan et al., 1999) to display one way of transferring the theoretical findings to other FPSEs, which thereby enhance the overall transferability of the study.

3. Dependability refers to the fact that information flows logically, is traceable and documented (Eriksson & Kovalainen, 2008). Everything that is mentioned in this research can be found in appendices, for example interview transcripts, coding or additional facts; in the reference list, which includes websites, books or articles that are quoted; and in the research itself, such as occurred changes that happened during the research process.

4. Conformability is concerned with the fact that the data and interpretations are not fictional or biased (Eriksson & Kovalainen, 2008). The research was based on primary and secondary data to gather more accurate data from selected four different FPSEs that operate in Oresund region in Denmark and Sweden, mainly compromising the urban centers of Malmö, Lund and Copenhagen. Moreover, limitations of the study are recognized and described in the limitations section. To overall address the trustworthiness, the research was guided and overseen by a supervisor who reviewed the study in full, provided guidance for the research process and evaluated logical, academic and grammatical issues existent in text.

Nevertheless, the study has several limitations that should be well taken into consideration. The data gathered through the interviews may not be sufficient enough to inquire whether the specific learning process, whether it is individual, group, and organization or combination of some that happens in those
organizations plays an important role in making those enterprises more competitive and sustainable in the market. To ensure that this limitation does not fully contradict the purpose and findings, input from individuals working in employee level in each enterprise was collected besides with inputs from founders and co-founders. In addition, secondary data analysis tools in the form document collection was utilized to get bigger picture of organizational learning happening in FPSEs. Moreover, the authors acknowledge that without exact figures and numbers which are typically gathered through rather quantitative methods, the results that are driven from this study will be open to criticism and different interpretations. Furthermore, it is also very much possible that despite the efforts of the research team to present scholarly concepts such as “organizational learning” in an everyday business language to the interviewees, some of the questions might have been misunderstood and the information might be biased. Moreover, due to the limited time frame during which this study has been conducted, the study considers organizational learning in FPSEs only in one specific region of the world that is Oresund region in Scandinavia. As a result the findings and recommendations that are driven from this research might be difficult to relate to FPSEs operating in other parts of the world due to different regulations and cultural settings.
4. Learning activities, knowledge sources and learning outcomes of FPSEs

This section presents a summary of the main empirical findings that have been collected from four selected FPSEs. Empirical findings are categorized into three sections in accordance with AKO framework which was described previously, namely; learning activities, knowledge source, learning outcome in practice for organizational learning and sustainability. Moreover, background section is also added before describing learning assets. The chapter contains four sections that present the empirical findings for each case FPSE.

4.1 Company A: an agriculture company commits to sustainable agroforestry technology

4.1.1 Background

Company A is a for-profit social enterprise with a total of 6 employees. The enterprise operates in Denmark, Canada and Ghana with a main office in Copenhagen, Denmark. Its core business is to help rural farmers in emerging markets to produce agricultural products according to sustainable and climate resilient agricultural methods. The enterprise aims to facilitate the production and post-harvest of the crops and introduce the products to the high-end conscious consumers in the western markets. Since its foundation 5 years ago, enterprise has been enjoying steady growth in its core business.

The company is owned by the founder and who is also the Chief Executive Officer (hereafter, CEO) of the enterprise. The enterprise possesses a unique business model with the social business platform rooting on the empowerment that combines many upstream agricultural activities in developing countries. These activities develop agricultural products in a climate-friendly way and in a way that needs to be processed with premium price for sales. Therefore, this enterprise is categorized as a social one, for its based management is developed with the collaboration of various stakeholders by integrating a variety of resources and communities to deal with climate change, ecosystem, food safety and poverty deviation in especially in developing world.

As many social enterprises, the structure of Company A is observed to be quite “flat”. The founder and CEO is the one who takes charge of the whole company’s strategic daily operations including: business development, team building, investor management and cash flow. There is no middle manager layer or different units in the company. Volunteers and interns are encouraged to work in groups and they are highly involved in the decision-making processes of the social enterprise. The CEO delegates decision-making to teams, empowering them to take actions on their own.

4.1.2 Learning activities

The following learning activities have been observed at Company A as a result of the data gathered from Interviewee 1 and Interviewee 5, as well as the observations:

1) Company A has a Chief Financial Officer (hereafter, CFO) and weekly advisor who owns 1% of the company’s share. That person had been working with Company A in 2015, and now he is working with
PWC in Switzerland while he invested his earnings in Company A and also gives strategic advice to the company’s financial affairs. By doing this, the experience from the person is transferred to Company A.

2) Stand-up meetings as per business requirement at Company A is quite common. The company encourages employees to make deliverable presentations about what they are doing and they encourage creating an open dialogue for people to ask questions. This gives employees the opportunity to learn from others by working with different people on different projects. The tacit knowledge is easily shared among people, therefore the total knowledge base for the company has a potential to improve.

3) Having a diverse working environment is observed. Company A is hiring people from different educational background. Hiring people from different background enables organization to harvest various forms of knowledge and network in the industry. The experience and network brought by those newcomers will immediately benefit the company.

4) Company A’s Onboarding Procedure is built with the purpose of letting new people into Company A, and to gather basic knowledge of new employees. This way they can identify the hidden skills and the blind spots of all people involved, and to train everyone in the necessary knowledge that they haven't specialized in before.

5) Company A is starting to utilize the external advisory feedback to improve its operation. Now they have four advisors on their advisory board which give significant feedback on investment, communication, innovation and entrepreneurial mentoring.

6) Google Drive and Trello tools are introduced to standardize the process and store useful information within the organization. The knowledge acquired from external and internal will be stored permanently in the system and be open to every person in the company.

7) The founder and CEO of the company often studies Harvard Business Review to gain additional knowledge. The academic knowledge and advanced management skills were introduced into its operation from top down in the organization.

8) Company A created an open culture for people to talk and share. The company regularly holds Knowledge Share Meeting and Debate Lectures to encourage employees to share their knowledge within the organization. Apparently, in this case, external knowledge is utilized and the findings are first mastered by individuals, then shared among group as per needed.

9) Encouraging employees’ participation on other projects and startup volunteer is another learning activity that is imported from external environment. Unlike traditional corporation, employees in Company A usually have part-time or volunteer work in other startups or organizations.

According to Interviewee 5, sustainability commitment of the company does not end with the generation of sustainable corps and reforestation, but also knowledge transfer regarding the sustainable practices to local communities:

“Besides, organization’s mission intends to impact the targeted communities with knowledge transfer of sustainable techniques and education concerning agroforestry and permaculture.” (Interviewee 5)

4.1.3 Knowledge source

According to Levitt and March (1988), typical learning practices include organizations learning from direct experience and from the experience of others, and developing conceptual frameworks or paradigms for
interpreting that experience acquired. From the learning activities described in the previous part, it is possible to argue that Company A is learning from both internal resources and external resources.

In terms of internal knowledge, a key resource is the knowledge base of the company, comprised of the background, skills and work experience of employees. External part is accountable for the majority of learning resources. For example, the company offers its shares to experienced people from external, utilizing knowledge from academic literatures, encouraging cross-institutional learning and taking feedback from advisory board in improving its process, partnering with educational institutions etc.

As it was mentioned in the analytical framework, Alavi and Leidner (2001) defined that there are three types of knowledge according to the form and source of it: Strategic knowledge, operational knowledge and contextual knowledge.

The strategic knowledge (also refers to “know why” knowledge) is about the objectives of the department, its mission and effects expected from the department. In the company A, this kind of knowledge exists in the form of their vision, mission, objectives and strategies in the website of the company. Moreover, company describes vision that it wants to see as a result of its activities “a sustainable mankind” with the strategy of “penetrating one entire country and make it 100% sustainable” (Company A, 2019). Therefore, it is possible to deduce that the company has a strong commitment to sustainability which is embodied in its strategic knowledge.

The operational knowledge (refers to “know how” knowledge) is about tools, procedures that allows enterprises to act smoothly, on time and in accordance with regulations. According to the data gathered from interviews, the case company utilizes the external advisory feedback to get information on investment, communication, innovation and entrepreneurial mentoring.

The contextual knowledge (refers to “knowing what/about”) is about the environment in which the department operates, understanding the trends, relations and causal connections policy in the department’s field of expertise. According to Interviewee 1, knowledge such as administration, business development and project operation is found in documents, reports, databases, and similar forms in Google Drive of the company which is accessible to those who need it and when they need it.

4.1.4 Learning outcomes

Interviewee 1 claimed that organizational learning heavily depends on the culture of the organization while an open culture is the key to nurture learning in the workplace:

“Well, personal growth is one thing. Open culture is another thing. That creates creativity, it allows people to say stupid things and open up stupid ideas which is where innovation happens.” (Interviewee 1)

Based on the learning activities listed above, these learning outcomes are observed to be achieved by the organization:

1) Initiated switch from informal finance management to formal finance operation management
2) Knowledge base for employees is improved so they can handle different jobs
3) Diverse employee backgrounds offer different visions to the company
4) Possibility to identify the hidden skills and the blind spots of all people involved, and to train everyone with the necessary knowledge
5) Access to high-quality strategic advice and social network in the industry
6) Knowledge from both internal and external is stored digitally and used to standardize the operational process
7) Knowledge from formal academic business management research is used to improve practical operation
8) Availability of the work environment that facilitates information and knowledge sharing.
9) Experience and knowledge from other organizations are brought into the company to enhance performance
10) Transfer of knowledge about sustainable agricultural practices to local communities so that they themselves can handle the tasks without the need of supervision from the upper management in the future.

4.2 Company B: a training and coaching organization devotes to social inclusion of new immigrants

4.2.1 Background

Company B is a professional training and coaching organization based in Helsingborg, Sweden. The organization is a relatively new since it has been in existence since July 2018. The organization has three active volunteers, two co-founders, while another staff recently joined the organization as a co-founder. However, the organization does not operate in a structured and strict managerial hierarchy, thus, any of the staff can lead or direct whenever any project is ongoing.

The organization is basically a for profit social enterprise that seeks to bridge the huge cultural difference or gap that exist between newly-arrived immigrants residing in Sweden and local population through floating of various innovative, engaging and creative short courses, that both set of identified clientele (immigrants and local people) can participate. The organization is fully entrenched in achieving its mission and objectives reproduce as follows: "promote an inclusive and diverse society towards sustainability, through interactive and creative educational workshops and experiences" (Company B, 2018). Company B also strives to enable all participants in their workshop to adopt openness and contribute to equality in the workplace in all aspects.

Company B floated a number of short courses structured and designed to bridge the "artificial" wall between the teeming immigrants surging continually into Sweden and the native population and the courses are delivered in the participant’s native tongue to eliminate "Foreign Language Effect". The courses are as follows:

1) Roles of Equality (ROE): contains five modules Introduction to Sustainable Development; Stereotyping, prejudice and discrimination; reducing inequalities; Gender equality and Gender & sexuality.
2) Swedish Work Environment (SWE): contains five modules as follows: Organization core values; Leadership; Management & communication; Adaptation to the Swedish Work environments; Rights, obligations & responsibilities; First day at work.
The organization has a number of impressive collaborations and partnership with different organizations such as Anna Lindh Foundation, Helsingborg, Sopact.org, Think open space, Social business lab among others.

4.2.2 Learning activities

Company B has been a small enterprise with just three employees. It has been observed that the enterprise do not have a structured learning activities. Employees working within the organization generally learn from each other, and share knowledge or ideas among each other through simple feedback mechanism. They also adopt the “train-the-trainer” approach, that is, whenever any of the staff attend any conference or workshop, a meeting is organized within the organization whereby the employee, teach, train and share knowledge with other employees (Interviewee 2). These are all in an attempt to improve the organizational performance at the short run and increase the organization’s revenue base in the long run. Likewise, the organization's staff draws from their own personal experiences, business and management skill by continually seeking means to improve their service delivery. Considering what learning activities entails, learning activities carried out at Company B do not actually count as structured and stimulated learning activities, as it is mostly spontaneous and based on ad-hoc guidance. For learning activities to achieve its intended goals and objectives, it must be conceived, planned and designed. However, it was observed that the enterprise encourages learning from errors and mistakes, as in the words of the CEO “trial and error method to solve conflicts is more prevalent in the organization” (Interviewee 2).

4.2.3 Knowledge source

In terms of strategic knowledge, the organization has a strong mission focus to empower immigrants through developing structured cultural education process, which enables immigrants to quickly integrate successfully into the host culture and to give immigrants a sense of belonging that they need. However, this kind of knowledge is a bit limited to the management and is not shared frequently among employees. Company B describes its core values as “the attainment of the United Nations Sustainable Development Goals (SDGs) leading to an innovative working environment and sustainable growth and in the word of the organization's CEO, the organization is at the forefront of integrating immigrants successfully into Swedish lifestyle and culture” (Interviewee 2).

Operational knowledge exists within the organization according to CEO through learning from each other’s mistakes, sharing feedback among employees. Employees learn from their faults and trial. In addition, whenever one of the employees attend any conference, seminar or workshop, they do have a meeting where they give feedback, share knowledge in order to improve the organization performance (Interviewee 6).

Contextual knowledge is implemented in the organization by mostly learning from trial and error, when any employee fails, others try to get feedback or mean of how to do it much better than the previous trial. Every time employees improve, the stuff get closer to their goals. Employees use their experiences in business and management to organize their work and deliver optimally, all employees draw knowledge from their experiences.

At Company B, as it regards to the knowledge, the employees are considered to be the greatest resources, given that the three staff has a rich wealth of knowledge and experience in business and management, in which they draw from to run the organization. Majorly, the bulk of the organization projects are done as a
team, so each of the staff draw knowledge and skills from each other, seek expert advice in the event that they are bereft of ideas.

New employees also have to learn through observation of the organizations activities, employees can also choose or opt to learn and improve their knowledge base from sources outside the organization. Likewise, information or knowledge acquired by the organization are usually stored on Google drive, for future retrieval or posterity, thus information needed by any employees can be retrieved from Google drive. Information pertaining to the organization are also shared through the organization's WhatsApp platform.

4.2.4 Learning outcome

The CEO of Company B stressed that the organization being a relatively new established do not have a structured learning activities presently (Interviewee 2). As such, employees draw from their personal knowledge and wealth of experience and business skills to perform their tasks or responsibilities. Also, they typically learn from each other. In summary, employees learn on the job and are expected to improve their performance and service delivery as they grow in the job.

The outcome of learning for sustainability was recognized by the employee of this company, as Interviewee 6 exemplified:

“Learning can lead to innovation in regards to sustainability in business and this can benefit both the economy and society... As a social enterprise, the first and foremost companies need to address is compliance, then competitive advantage... Learning can help us know more about ourselves and our surrounding environment... Then we can make more sustainable business decisions” (Interviewee 6).

An important finding that lends emphasis to the link between organizational learning and sustainability is that learning can lead to innovation in regards to sustainability in business.

4.3 Company C: a second-hand fashion exchange platform contributes to sustainable consumption

4.3.1 Background

The organization was founded in 2013, and is located in central Malmö. Company C is for-profit social enterprise specialized in providing opportunity for customers to buy second-hand clothes. Moreover, the customers have an option to drop their old clothes to the store and get bonus points and discounts when they purchase second-hand clothes. The enterprise operates as an open store. Additionally, the enterprise has an online service where the sellers and buyers of second-hand clothes can directly communicate with one another and fulfill the transactions.

The enterprise is owned by the founder, who is also the manager of the store. The enterprise was identified to be the one that focuses extensively on social value created, rather than simple profit maximization. The enterprise self-describes itself as a business “the opportunity to choose clothes that express ... personality without burdening ... wallet or environment” (Company C, 2019). The functioning and the core concept of the business is described to revolve around “win, win, win” concept where the selling and buying inexpensive, second-hand clothes creates a value for the customers, society, as well as environment.
The store is run by the manager, as well as several volunteers who are directly being recruited by the manager. The organization is observed to run in a very flat hierarchical system where volunteers are encouraged to be flexible in terms of the hours that they commit into the work of the store. The manager identified that all the necessary strategic decisions and plans are adopted and developed by the manager.

4.3.2 Learning Activities

According to Interviewee 3 who works as the manager of the enterprise, when hiring new volunteers/employees to the organization, the assessment of whether the new candidates share the same values as with the organization itself is important:

“If they have a common sense and respect for other people, if they know the most basic rules for how people think and if they show genuine interest in my shop, and if they've done their research when they come in and so on, then yeah they're welcome to work here but if they don't have these fine qualities, then I'm sorry this is not the place for you.” (Interviewee 3).

Based on the observations and interview answers several learning activities could be identified within Company C:

1) The workplace has information sessions where meetings are being conducted with the newly hired volunteers. Sessions and meetings are said to be important when deciding on whether the new employee or volunteer will be able to absorb required knowledge.
2) It was observed that acquiring knowledge when volunteers face any difficulties within the organization is preferable method than acquiring it from the outside. Nevertheless, taking side jobs while working in the enterprise is not discouraged.
3) Knowledge acquisition by the volunteers are highly valued, and there is an agreement within the management that this knowledge will be helpful for the volunteers if they decide to become employees in the future.
4) As it is the case with most social enterprises, limited use of formal tools and mechanisms for knowledge acquisition, as well as sharing knowledge and new information within the group was identified. Trello is being used, while the basic calls and messaging is employed for the communication among the volunteers and between volunteers and managers.
5) Specialization as opposed to generalization among volunteers were identified to be more encouraged by the management
6) There is an existent and active mechanism for feedback provision by the management every time volunteers put their newly acquired knowledge into implementation.
7) It is observed that when hiring new volunteers manager strongly emphasized the value of the “win-win-win” concept for customers, society, and the environment, and whether new team-members are able to assimilate that knowledge into their daily operations plays an important role on the final decision to hire volunteers.

4.3.3 Knowledge Source
In terms of strategic knowledge, the organization has a strong mission focus with the aim of creating a win-win-win situation for customers, society and the environment, which is also reflected in the official website of the shop (Company C, 2019). The recruitment process is directly related to whether candidates are able to observe this strategic knowledge, that is to help towards achieving win-win-win situation. Win-win-win situation is described as the core strategy and mission of the enterprise according to the observations and interviews.

Operational knowledge that exist within the organization can be attributed to different activities that are happening within the organization. It is observed that there are usually twenty-to-thirty minutes information sessions to introduce the newly hired people to the working system of the organization. Manager uses Trello, as well as basic tools such as phone, sms, whatsapp to communicate with the volunteers and coordinate their work.

Contextual knowledge and its accessibility can be argued to be limited to the top management, in this case the founder. Volunteers are usually encouraged to absorb strategic and operational knowledge, while the accessibility of the contextual knowledge, in terms of the shop’s environment, its relations with other entities in the market, as well as the preparedness of the contingency plans is usually more accessible to the manager. The frequent mention of the motto “learning by doing” during interview also shows that the organization puts huge emphasis on contextual knowledge and its acquisition.

It was observed that the knowledge acquisition from within the organization is preferred more than the knowledge acquisition from external environment to manage the day-to-day activities of the organization, as well as to coordinate the work of the volunteers. When asked the question of whether volunteers are encouraged to apply external knowledge or the knowledge from outside to manage their daily work, and solve conflicts, Interviewee 3 responded:

“If they have an issue with something, it is better if they talk to me first” (Interviewee 3)

Moreover, there are information sessions to ensure that new volunteers and interns will adapt to the working culture around the organization, as well as acquire knowledge necessary for performing the tasks. In addition, the volunteers are also not discouraged to have external commitments when they work within the organization, and implement what they learn in those organizations inside the shop. That is, working structure and hours are flexible and volunteers are encouraged to apply what they learn in outside environment.

In managerial level, the use of Trello and similar formal learning mechanisms to discuss and share ideas with similar enterprises operating in Malmö and Copenhagen was observed. That also shows that in managerial and strategic level, knowledge acquisition form the external environment is also encouraged within the organization.

4.3.4 Learning Outcomes

It can be identified that within the organization and enterprise there is strong utilization of the knowledge management and learning outcomes through social media accounts. Management keeps an active facebook account where the important articles and academic reviews are shared constantly. Volunteers are observed
to have an access to these accounts, and there is an encouragement by the management for volunteers to contribute to that.

“We don’t use official training and external event to improve ourselves and gain knowledge. Most of our learning in the workplace happen to be interaction with peers or the shop manager, often in a one-on-one setting. Thanks to the “learning by practices” method, I began to know more about the knowledge of the products, and after one week I can work on my own in the store without the guidance of my manager.” (Interviewee 7).

The phrase “learning by doing” has been used several times during the interview to summarize the whole outcome of the learning process within the enterprise. That is, the enterprise emphasizes the learning outcomes achieved and utilized throughout the practice. Therefore, the formation of new ways of solving problems which are generally discovered through practice by individual employees and volunteers can be considered a learning outcome at Company C.

4.4 Company D: a cooking stove provider works for clean, reliable and renewable fuel in Bhutan

4.4.1 Background

Company D is a for-profit social enterprise engaged in providing fuel “cookies” (fuel cookies are made by compacting forestry wood waste and used in high efficiency smokeless stoves) and smokeless stoves-combined solution to rural households in exchange of forestry wood waste. The wood waste gathered by households is processed into fuel “cookies” in local factories. The efficiency of their combined solution allows them to produce fuel “cookies” in excess compared to the wood waste collected. These remained fuel “cookies” are sold in the urban areas to pay off the free services provided in rural areas. Their goal is to provide clean, reliable and renewable fuel in Bhutan while reducing greenhouse gases and generating jobs.

Company D was started in 2013 as partnership of Boiling Point in Denmark and Happy Green Cooperative (HGC) in Bhutan. HGC implements Company D’s model as a farmers group project owned by community members in Tsirang, Bhutan.

The social enterprise has 4 advisors in Copenhagen, Denmark and 11 co-workers runs the operational project in Bhutan. Company D has developed an inclusive model for its ownership. The social enterprise is now owned by 11 co-workers and they work full time in Bhutan. Anyone who actively provides raw material to become a member and after 1 year of membership becomes a part owner. This also means that people who are not providing wood waste actively (urban customers, foreigners, etc.) cannot become owners of Company D. Company makes sure that the project is practicing effective community ownership model in Bhutan. The dominant coordination mechanism in the enterprise is the internal communication among employees.

“First of all, we all admit that the working culture in our company is non-hierarchical, self-managed and radically collaborative. There are no distinguish about senior or junior staff within the organization. Supervisor and coworker have the same authority to access knowledge. In this context, people are
encouraged to speak up and have their voice is heard by others. That is why most of our corporate decisions are made by employees.” (Interviewee 8).

First interview was conducted with one of the co-founders that developed the idea of this for-profit social enterprise. Now, that co-founder is located in Copenhagen, Denmark and works for Company D as an external advisor to give strategy advice on how to expand operation, how to get new partnership to improve their business model. At the same time, the co-founder is also helping the company to get funding from other donor organizations. Second interview was conducted with one of the co-workers who work full-time in running the operational project in Bhutan.

4.4.2 Learning Activities

Based on the findings derived from the interviews, the following learning activities were identified to be existent in the enterprise:

1) The company was founded by a small team, and the ownership of the cooperative established in Bhutan was transferred to the employees working there. All employees have an equal say on strategy, and there is no formal position of leadership or management in operational project located in Bhutan.

2) All eleven employees have been given the choice of changing the strategy of the cooperative, or making adjustments to it based on the market needs.

“We’ve given them all the responsibility of choosing strategy or changes to the business operations or the plans or new machinery or whatever.” (Interviewee 4).

3) According to the co-founder, the free-flow of information and sharing information between all employees is the core value and working culture in the cooperative in Bhutan

4) The employees working in Bhutan, who also happen to be the owners, are encouraged to refer to different manuals and academic books such as “Reinventing organization” to organize their work, absorb and assimilate knowledge.

5) It was identified that the major decisions and planning, starting from salary determination to strategic planning is decided through group meetings and teamwork. All employees are expected to attend such meetings and come into shared consensus. Due to that, it was observed that group level of learning is very prevalent among the employees.

6) While there is a possibility of acquiring and assimilating external knowledge, the co-founder and external adviser specified that it is not very much encouraged among the team.

7) Employees are encouraged to be flexible in their work and experiment with different tools and ways of solving problems that might arise. According to the co-founder and external advisor, any idea and learning can easily become everyday business practice as long as it effectively and efficiently addresses the problem. It was observed that organizational structure is allowed to fluctuate, so that this type of flexibility can exist.

8) The limited use of digital tools and information technologies were noted. The tools are mostly limited to Google Drive and Facebook chat.

9) The co-founders and external advisors have very limited engagement with the daily work of the cooperative, all the learning is encouraged to happen within the cooperative and among the employees.

10) Learning from one another among the employees are encouraged in a way that will allow employees to switch tasks depending on the availability of manpower and need.

11) Due to technical limitations, the use of high technologies for storing learning is limited and the knowledge that can be written down is usually stored in physical documents.
“Because the limited access to Internet in Bhutan, our information (including meeting record, customer list and sales performance, and others) is usually kept in a notebook from the administration team.” (Interviewee 8).

4.4.3 Knowledge Source

In terms of the strategic knowledge, the organization has a strong focus on allowing employees to discover new knowledge and set their own organizational culture and values by themselves. Strong attachment to the environmental protection, employee autonomy, strong team-work, and shared decision-making were identified to be the main pillars and principles that guide the daily work of the cooperative. Nevertheless, the source of strategic knowledge does not lie only on the employees themselves, as the co-founders who now operate as external advisors provide continuous feedback and knowledge on determining proper strategic decision to the team in Bhutan. Therefore, it can be argued that the strategic knowledge arises both within the team, as well as from the external advisors.

In terms of operational knowledge, the cooperative utilizes the team-work and shared decision-making to reach into consensus, as well as to utilize the daily work of the cooperative. According to the co-founder, these principles and guidelines emerged due to the fact that cooperative ownership were transferred to the employees themselves.

“When they enter the company they become owners of the company like the other people so when you have a new employee once in a while that comes in, they're just sucked into the situation. If you are a factory worker you're just working until the end of the work day and then hurry home to your family, but if you're the owner of the company you are also thinking about improving the company when you're sleeping or when you're talking to someone in the street or whatever.” (Interviewee 4)

As a result, employees were motivated and encouraged to set up their own organizational culture and way of work. Therefore, the operational knowledge arises mostly among the employees and from the insights that those employees gather from continuous teamwork activities.

In terms of contextual knowledge, the co-founder and external advisor mentioned that the cooperative and its way of working is quite unique in the context of Bhutan, making the market that the cooperative operates quite non-competitive. Nevertheless, the cooperative is encouraged to listen and pay attention to co-founders who now function as external advisors, as well as several other enterprises and factories that operate in the same or similar business sectors.

4.4.4 Learning Outcome

At Company D, there is no structured learning activities that are designed to increase knowledge and improve the efficiency of the staff who are all co-owners. Employees learn through conceiving ideas, working on it in order to develop a more solidified and identified idea or concept. Employees also learn through learning from each other by engaging in panel or round-table discussion to share knowledge and new findings among one another within the organization. In addition, they are encouraged to learn through reading of related articles and books that are centered on the core business of the corporation and that are helpful for maintaining unique organizational culture. For example, the staff is expected to read a book
“Reinventing Organizations” considering that most of the model in the books had already been adopted in organization’s learning structure.

Employees occasionally do engage in conversation with more knowledgeable and experienced professionals. Likewise, external advisors assess and review the employee ideas and concepts before embarking on their implementation. Lastly, organization also employ the trial and error method to test the suitability of different ideas, techniques in an attempt to arrive at or achieve a better alternative, ensuring that the company stay ahead of their competitors.

In addition, it is also observed that the learning activities centered on the idea of radical sharing of responsibilities among employees has contributed to the increasing learning of the idea of sustainability and its incorporation as an organizational value into daily operations by company employees. In particular, according to Interviewee 8:

“Before I took part in the company, I told our founder that I want to engage in a business that provide clean fuel for local people. At first, I did not have any concept about what is “sustainability”. However, as I worked in the organization for years, I gradually know more about that and realized what we have been doing is to achieve sustainability. Thanks for learning and knowledge sharing, I know more about ourselves, our vision, mission and values.” (Interviewee 8).

In short, it is possible to deduce that the major learning outcomes of the series of learning activities highlighted is that employees are able to identify better, faster and more convenient way of doing a task, improve team-spirit and camaraderie among employees, improve staff interpersonal skills and improve overall efficiency and productivity of the organizations. Moreover, strong commitment to sustainability is achieved through informal way of supervision, as well as employees taking more control in the daily operations of the company.

4.5 Summary of findings

Continuous learning is necessary to implement sustainability, following is a brief summary of learning activities, knowledge source and learning outcome occurred at the four case companies for further analysis.

<table>
<thead>
<tr>
<th>Case</th>
<th>Learning Activities</th>
<th>Knowledge Source</th>
<th>Learning Outcome</th>
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<td>Company</td>
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| A       | - External advisory  
- Stand up meeting  
- Create diverse working environment  
- Onboarding procedure  
- Online tool  
- Learning from academic literature  
- Open culture  
- Cross-institutional training | - Contextual Knowledge  
- Operational Knowledge  
- Strategic Knowledge |
| B       | - Employee learn from each other  
- “Train-the-trainer”  
- Draw from personal experience and skills  
- Learn from mistakes  
- Stakeholder engagement tools | - Contextual Knowledge  
- Operational Knowledge  
- Strategic Knowledge |
| C       | - New employees meeting  
- Learning by working  
- Online management tools or social media  
- Provide feedback | - Contextual Knowledge  
- Operational Knowledge  
- Strategic Knowledge |
| D       | - Share ownership with employees  
- Employee make business decisions  
- Encourage individual reading  
- Flexible Organizational structure  
- Online tools  
- Switch tasks | - Contextual Knowledge  
- Operational Knowledge  
- Strategic Knowledge |

- Formulated performance  
- Improved employee’s knowledge base  
- Generated different visions and perspectives  
- Identified employee’s hidden skill  
- Obtained high quality advice  
- Digitized knowledge  
- Brought in external knowledge  
- Facilitated sharing  

- Improved performance of the employees  
- Improved knowledge sharing  
- Optimized daily routine work  
- Optimized the ways of doing tasks  
- Improved team spirit  
- Improved personal skills and productivity  
- Strong commitment to the importance of sustainability in the workplace
5. Learning process in FPSEs

This chapter analyses the empirical findings in the case companies with support from the 4I theoretical framework within three different levels of organizational learning in FPSEs, as well as its connection to the sustainability paradigm. While previous chapter described learning according to AKO framework, this chapter presents and analyses the organizational learning process in FPSEs in accordance with 4I framework.

According to Levitt and March (1988), typical learning practices include learning from direct experience and from the experience of others, and developing conceptual frameworks or paradigms for interpreting that experience acquired. In the cases of the organizational learning at FPSEs, from the empirical findings in chapter 4 it is possible to deduct that all FPSEs are learning from internal resources and external resources. Some enterprises regard the external part as much more accountable for the majority of learning resources. For example, Company A gave shares to external talents to gain expertise and knowledge, as well as utilizing knowledge from academic works while also encouraging cross-institutional learning. On the other hand, some enterprises perceive that most of the knowledge comes within the organization. For example, knowledge of Company C mainly comes from personal teaching from the manager. In that point, It is observable at this point to deduce that the role of the manager in paving the way for organizational learning in enterprise is higher, if there are few employees at the managerial level.

Learning and development processes are believed to be a significant step towards fulfilling sustainable development agenda, as well as enhancing the sustainability within the enterprise. As it was discussed in chapter 2.3, the outward pressure from external stakeholders are pushing organizations to become more sustainable in their operations. Addressing those calls constitutes sustainable competitive advantage for FPSEs since they operate in market environment due to their nature as profit-makers while addressing social needs at the same time, therefore making it necessary to incorporate sustainability paradigm into the business. Social innovation with its links to organizational learning is particularly useful in making enterprises more sustainable as well as increasing their ability to address societal problems more effectively. To address this need for a multilevel and dynamic model of understanding organizational learning for sustainability, 4I framework of (Crossan et al., 1999) which was thoroughly introduced in chapter 2.2.4 is utilized. From the findings presented in chapter 4, the learning process at these case companies is extracted out, and a cross-case analysis is performed according to the 4I framework and to the three levels (individual, group and organizational) of learning.

As it was described previously, Crossan et al., (1999) suggest four processes of organizational learning: intuiting, interpreting, integrating, and institutionalizing. Learning begins in individuals at the intuiting stage as a subconscious process, which later develops to be more conscious at the interpreting stage, where it is often shared with other members of the group. Members’ input gets integrated at the group level, where information becomes institutionalized by being imbedded in routines, structures and systems. As mentioned in Chapter 3, while using the 4I framework to examine the learning activities at the case enterprises, it is possible to find out how the four processes of organizational learning – intuiting/interpreting, integrating, and institutionalizing – occur at the three levels of analysis (individual, group and organizational). In addition, the analysis part also tries to find out how the knowledge is created and then shared among the group, then further possibly codified into the routines of company operation (Feed-forward learning). It is also identified that what has already been learned feeds back from the organization to group and individual
levels, affecting how people act and think (Feed-back learning). In addition, the dynamic nature of links presented in the 4I framework between individual, group, and organizational learning levels make it particularly suitable as a means of analysing the diverse, individualized, and shifting understandings of sustainability that have precluded its more coherent embedding across organizations (Benn et al., 2013).

5.1 Intuiting and interpreting at individual level

Starting at the intuiting stage, individuals learn by recognizing patterns with which they are either familiar, or among which they see novel connections (Behling & Eckel, 1991). According to Hogarth (2001) the feature of intuition is from a lack of awareness about how judgements and results are gained. During the data collection, all four FPSEs attributed experience as one key source of individual learning. In that process, employee can learn a new information, or find a new strategy or develop a different representation of a situation. It might be the result of reflection, trial and error, imitation, formal teaching, and it might be conscious or tacit. It was observed that organizational structure of all observed FPSEs is allowed to fluctuate, so that it is more beneficial for individuals to take initiatives for their learning. For example, in the case of Company D, employees are encouraged to be flexible in their work and experiment with different tools and ways of solving problems that might arise. According to the findings on Company D, any idea and learning can easily become everyday business practice as long as it effectively and efficiently addresses the problem.

Another way of gaining intuition knowledge is learning from the mistakes and applying changes in the operational strategy. For example, employees in Company B gain knowledge through learning from each other’s mistakes, and later they share their feedback and utilize the method of trial and error.. From this example, it is possible to see that the learning starts by intuiting the problem by individuals and then they try to interpret the problem among the group. Using the past experiences, people within the group finds the solution, and then later the idea is being implemented and integrated on organizational level.

However, some of the most important knowledge assets in all observed FPSEs are often hard or impossible to express literally. For example, a highly skilled machine operator may know when a crucial component is about to need replacing, or when a machine may be about to malfunction, but he or she may be unable to say exactly why. Experienced and highly skilled employees are often able to “sense” and perform these behaviors intuitively while not being able to explain (in literal terms) “why” or “how.” In one sense, their knowledge is “hidden from view” - nonetheless, it may be witnessed by observing behaviors (including gestures and body language). The capability to articulate this hidden knowledge and skill that cannot be copied is a potentially valuable asset and a source of competitive advantage. On this basis, it is crucial for FPSEs to create and support the conditions for intuition to flourish among individuals and groups of employees. For example, in the case of Company X, they encourage the employees become an expert from one specific aspect by enabling them to take part in other volunteer job, do urban gardens or run their own catering business. The aim is to promote them to become an expert in one area and then better pass their knowledge within the organization. The change may make the organization more adapted to its environment or more capable of performing a task or just even more conscious of some realities. In this sense, learning means an improvement as it allows better performances and decisions, or understandings.

To understand interpreting at individual learning level, it is important to examine how individuals interpret insights or ideas. In order to initiate new thinking among existing employees, programs that fostered new interpretations were put in place. For example, Company D launched “Reinventing organization” learning
manuals designed to allow coworkers to learn how to deal with clients by working in the sales area for a day. The inside workers gained awareness of competitive pressures, client needs, and the importance of their own work. Another example of individual learning was “train-the-trainer” in the case company B, whenever any of the staff attend any conference or workshop, a meeting is organized within the organization whereby the employee, teach, train and share knowledge with other employees. It is an innovative prototype of the training and development, through which individuals had the opportunity to try out possibilities, unencumbered by existing knowledge and procedures.

Organizations can change interpretations by shifting job responsibility. As it was observed, it is quite commonly seen that in observed FPSEs, employees are taking multiple roles and they shift their works regularly. This is due to the fact that FPSEs operate in a competitive market environment characterized by the strong external pressure, as they cannot afford the cost to build a formal organizational structure as large companies do. As a consequence of shifting job responsibility, the knowledge possessed from one role can be easily acquired by another one. Obviously, this acquisition of knowledge happens on an individual level by interpreting of knowledge embedded with the role. And the source of knowledge is clearly from internal experience possessed by other staff.

In terms of the recruitment, FPSEs tend to use people who have different backgrounds. According to Jones and Macpherson (2006), this is one way to acquire knowledge from external resources, even from their competitors. Their experiences can easily be utilized in the new context for those new employees. In this process, the new hired people need to interpret the new context, e.g. processes, products and people, and find the best way to make use of their prior knowledge. Therefore, personal mastery becomes the source of knowledge creation process, and the source of knowledge is from the external world.

External advisors were encouraged to develop new interpretations to FPSEs through various channels and in various forms. It is a trend that observed FPSEs use advisory to gain ideas about how to commercialize and scale their businesses. This can be conceived as an external interpretation to gain knowledge. For example, 3 out of 4 observed FPSEs have the advisors or advisory board. The advisor or advisory board are not involved in the day-to-day running of FPSEs. They usually oversee the management team, help to shape the strategies, and safeguard the interests of an organization. Advisory board members usually assume a service function for the organization as they engage in fundraising, providing “know-how” and contributing to the visibility and reputation of the organization.

Customers and competitors are also perceived to be the important factor for observed FPSEs. Competition is the backbone of business, and it can provide the framework for business growth. Learning from the failures and successes of the competitors is a built-in boost for saving time, resources and money. Even though FPSE is not totally profit-driven as traditional commercial enterprises, they still have to face the financial and price competition as traditional company does. In this sense, the feedback from their customers and the condition of their competitor are essential for them. In the case of Company C, it was observed that they benefit from the customers’ and competitors’ knowledge and use that knowledge to guide their business decisions.

From above analysis on presented examples, individuals are the main source of bringing in insight and innovative ideas to the organization. At the same time, the source of knowledge can be from both external and internal channels. Therefore, the learning system in FPSEs is an open system. In general, it can be
argued that in FPSEs learning is occurring on an individual level through mediums such as personal mastery, academic input, external advisors, customers, and competitors etc.

**5.2 Interpreting and integrating at group level**

As it was explained in theory section, interpreting and integrating process occur mainly at the group level. While conceiving ideas happens at individual level of learning, conceptualizing, developing either in thoughts or sharing with others (interpreting) and attempting to implement them happens within a group (integrating).

Preda (2006) defined that a *group* consists of a number of two or more individuals who have complementary skills, which they use to achieve common tasks that have been assigned or they have assumed voluntarily and for which completion they are jointly responsible. Like many commercial enterprises, FPSEs also tend to have different business functions to realize their organizational goals on a daily basis such as: financing, information technologies, sales & marketing, technology and human resource, etc. Within the enterprise, there are usually small groups of peers who meet on a regular basis to discuss an issue or problem about different business functions, find answers, and help each other succeed. The group meetings are associated with active involvement, collaboration and problem-solving based on teamwork and information exchange. These small groups are not permanent, they are organized according to the actual needs of the business. In this sense, group level of learning does exist in FPSEs even though they are relatively small in size.

The research attempts to use the cross-case analysis method to deduce how interpreting and integrating occur at group level in all examined FPSEs (Company A, B, C and D). The research revealed that both interpretation and integration occur at group level in two (Company D and Company A) of FPSEs. For the other two FPSEs (Company C and Company B) only interpretation at group level is observed to occur.

At Company D, one of the founders conceived an idea on means to tackle the unsustainable method (open fire method) of cooking by introducing “cookies” and highly efficient wood stove which is more hygienic, safer and more sustainable. The idea originator first thought about the idea, and then interpreted to others to further solidify and develop the ideas. According to the Interviewee 4 (CEO of Company D), the solidified ideas can then be integrated to become an everyday business practice.

The idea which was discussed, later integrated within the group after the pilot project became an instant success, and as such a factory was built in 2017 to continually produce the product (wood stuff and cookies). Likewise, as regards to the interpreting, employees learn and share ideas among each other, organize panel discussions to develop and expand ideas or concepts or find solutions to problems or challenges that arises in the course of production before it can be integrated into the organization.

The situation in Company A is similar to that of Company D, the knowledge created by one person or individual can be passed to the rest of the company through interaction, memos, workshop, presentation and more innovatively through digital mediums such as Google Drive, Dropbox, Whatsapp etc. In the same vein, ideas are shared within Company A through brainstorming and discussion to fully develop and expand seemingly unstructured ideas. All these fully conceptualized and developed ideas are then integrated fully into the organization either as a one-off process or they were repeated if successful at the first attempt. At Company A, the employees had started to form monthly or quarterly review of their activities; improve
their strength and opportunities while mitigating their weaknesses and opportunities to improve performance and efficiency.

On the other hand, Company C is a one-person business and once in a while they have volunteers who assist in the enterprise on a temporary basis for a maximum period of three months at a time. The implication of this is that the bulk of the activities at Company C are done at the individual level i.e. intuition and integrating. While the focus is on the group level, attempt was only made at explaining interpretation at group level. At Company C, knowledge-sharing occurs through sharing and learning among volunteers who most of the time come from diverse backgrounds.

The same scenarios also apply to Company B. Most of the activities at Company B occur at the individual level, while it was observed that only interpretation occurs at group level. Knowledge, ideas or intuitions are shared among employees in an informal method since considering the start-up is small scale, conceptualized and developed in order to improve operation in the short run and then expand the revenue base at the long run. Likewise, they use the same means to share feedback among employees within Company B.

The study further revealed that the founder of the four enterprises at one time conceived ideas, then share the idea with others to further consolidate and synthesize it. Interestingly, the ideas muted (intuited) and shared (interpreted) later became business ideas that birthed Company A,B,C and D as a form of FPSE.

5.3 Institutionalizing at organizational level

Institutionalizing level of learning occurs at the organization level. It is simply defined "as the process of embedding learning that has occurred by individuals and groups into the organization, and its include systems, procedures and strategy" (Crossan et al., 1994). Simply put, it refers to the process of ensuring that routinized actions occur and that they are stored in organizational routine. The major deduction from the definition is that ideas generated at individual level, are either crystallized or developed in thoughts or shared with others within a group, these developed ideas are then tested before it can be institutionalized in the organization as a proven and tested organization routines.

Deductions from the excerpts of interview as well as observation with staff of the FPSEs (Company A, B, C and D) selected for the study shows that observed FPSEs have some level of routine tasks or procedures in place which had been institutionalized as a time tested and proven actions except Company C.

“We don’t have a daily normal practice in our organization, it is too early, we haven’t developed to that phase, there is no concrete routine and procedure going on in our organization. Aside, my personal experience which we had adopted in our organization, I don’t know if that can pass as a business practice.” (Interviewee 3).

Despite the fact that there is a resemblance of institutionalizing at organization level in observed FPSEs, it is noteworthy that it is all relatively new. It can be argued that it is due to the fact that small start-up enterprises do not really require institutionalizing at least in the short-run. Given credence to this assertion, Crossan et al., (1999) affirmed that new organizations have very few established routines, procedures or structures, and as such there is little or no organizational memory to build upon. It was added that because
of their small size, specific operational style which is usually associated with having few managers and few employees and communication medium, most of their activities are done at the individual or group level.

However, there are few evidence of institutionalizing in three of the four FPSEs that have been studied. At Company D, decision making and deliberating on strategies and future of the company are done by all employees who had taken full ownership of the company while the original founders now act as external advisers. The implication of this is that there is no structured leadership or management pattern in the company and hence, everyone has a say in decision making. Likewise, the company has a culture of allowing employees taking on different roles and tasks in order to have a diverse experience which will be brought to bear on the organization growth and expansion. There is no structured learning path for new employees, they only learn on the job, by observing existing employees. Company D management has developed a culture of continually staying afloat in business by ensuring they are not stuck in using outdated or inferior technologies. As part of further institutionalizing the organization, plans are underway to expand operations from Bhutan to Nepal and China.

In Company A, just as it applies to other FPSEs or small start-up there are no formal or structured learning path or institutionalized learning process in organizational level, and as such the company has device measures to ensure new employees learn on the job. Majorly, Company A developed an archive of database where all company activities, actions, and history is stored. Moreover, new employees are usually encouraged to go through the invaluable resources stored in the archive to get acquainted with the company's business and activities. In the same vein, to encourage free flow and exchange of ideas, the company created a free atmosphere or environment which allows employees to share ideas, strategy and problems without inhibitions. The company has also developed a very strong culture of feedback mechanism on any activities or project carried out in the company, this is done by organizing monthly and quarterly meetings to review and access the company activities over time in a bid to improve the performance, and strengthen the weaknesses and shortcomings.

Lastly, Company B which is structured as a FPSE has developed a strong culture of teamwork, and as such most of the tasks are carried out in teams with little evidence of learning at an organizational level. Like all typical social enterprise, there is no structured learning program, instead Company B had devised an innovative means to train new staff. New employees are first assigned passive roles so that they can have sufficient time to observe existing employees before they are allowed to take on more active functions or task. Company B had also institutionalized a policy of not sending mails on mondays to business partners, associate or collaborating organizations instead they send either on Wednesdays or fridays. This institutionalization of this specific policy among all employees while not being a formal policy is an example of learning process happening in organizational level.

Conclusively, the institutionalizing of knowledge is found in the case companies to a limited degree. Generally, the deductions from data collection with staff of the four social enterprises (Company A, B, C and D) selected for the study shows that all FPSEs have a routine tasks or procedures in place which had been institutionalized as a time tested and proven actions to a limited degree except Company C. The routine tasks or procedures like transferring ownership to employees, learning on the job, allowing employees to take strategic decisions and as well change job roles to have a well balanced and rounded experience, adoption of team-work spirit had all passed through intuition, interpreting and integration at both individual and group levels before it was finally institutionalized at the organizational level.
5.4 Feed-forward and Feed-back Learning

*Feed-forward* is a type of learning that proceeds knowledge and learning assets from the initial three learning processes towards the fourth, institutionalization (Crossan et al., 1999). New knowledge and practices feed-forward from individual or group level to the organizational level through intuiting, interpreting, integrating and institutionalizing. In most of the cases, individual learns and then shares through discussions and close mutual interactions his or her knowledge, ideas, experiences and insights to others, thereby the knowledge is created within the whole organization. Therefore, individual person is a significant component for organization learning to happen in FPSEs. From the above analysis, the knowledge flow of social enterprises can be found in intuiting and interpreting process. Then, the learning system is developed further by collecting the outcome of individual learning and this outcome of the collectivity, in most cases in the form of knowledge, is shared in interpreting and integrating process.

However, due to the high level of informality and small size, and due to the lack of formal procedures and mechanisms in observed FPSEs, the last step which is institutionalizing is not fully found in examined case companies. The informality of process in FPSEs can be attributed to the fact that FPSEs generally lack the resources to create formal processes. From another perspective, due to the relatively small size of these companies, people within enterprises have close interactions and sometimes rotation of the job functions among one another. This leads to the fact that knowledge sharing at the group level is frequent and much easier. But then in the end, the lack of formality of process makes it difficult to institute the knowledge within the whole organization, and thus it is difficult to examine institutionalization at an organizational level fully.

*Feed-back* flow is about how organizational resources, such as routines, procedures and culture, feedback impact group and individual behaviors (Crossan et al., 1999). The 4I framework suggests that once learning has been institutionalized it impacts the other learning processes. However, considering the fact that institutionalizing activity in observed FPSEs is found only to a limited degree, the feed-back loop learning may not be well-developed in FPSEs. According to Crossan et al., (1999), what has been learned feeds back from the organization, to the group and individual levels. This learning affects intuition, i.e. how people think and act. While it is possible to hold that FPSEs might also facilitate feedback learning, it is not possible to identify and verify this happening to a full extent as predicted by Crossan et al., (1999) in FPSEs based on the findings of this research paper. Since such learning processes usually occur over medium to long term especially after learning at an organizational level has taken place through institutionalization (Crossan et al., 1999), such changes are difficult to observe in examined four FPSEs.

5.5 Organizational Learning and Sustainability in FPSEs

The primary aim of this research was to investigate about organizational learning in FPSEs for better understanding how FPSEs can sustain themselves in increasingly competitive business environment characterized by the external pressure to adapt to the needs of the environment and incorporate sustainability paradigm to the operations over the long term. Additionally, the more learning processes were analysed, the more connection between organizational learning and sustainability was found. The findings resonate with the theories proposed in the theoretical background and analytical framework section in terms of its relationship with the consideration of sustainability. Data from interviews conducted with founders and employees from the field of social enterprises as well as observations, support the need to
incorporate sustainability into organizational learning methods in order to survive and innovate in this current business climate. Organizational learning should assist individuals and organizations to improve their processes, manage the challenges of sustainability and address increasing competition (Ramirez, 2012).

When respondents were asked if organizational learning should be considered a key criteria in achieving sustainability, it was found that the interviewees supported the view that learning should be an important criteria to create and develop structures and new ways of working to effectively implement sustainability. As interviewee 1 clearly indicated, learning is the vehicle by means of which one disseminates sustainability to all areas.

“We use different tools to ensure the incorporation of sustainability into business and learning is one of them ... it [learning] is used for people to adopt these values [of sustainability]...Learning is the vehicle through which we integrate sustainability more easily to all areas” (Interviewee 1).

The ultimate aim of focusing on learning is to create organizational behavior, transform people and to continuously change and adjust to ever changing challenges and conditions to achieve sustainability in the everyday routine of all areas. Interviewee 8 commented that:

“Sustainability is a process of transformation, no matter for individuals or businesses. People have to change their potential realization before they can achieve sustainability. While learning provides opportunities for people to access new knowledge, information and insights which can facilitate the changes in people’s mindset. I think sustainability can be educated and once people obtain the knowledge of sustainability, they can have the guideline to lead them achieve.”(Interview 8)

Although sustainability could be taken as a visionary boundary object, there are some kind of tools that can foster a sense of sustainability among employees, According to Interviewee 6:

“There are some tools that are used like stakeholder engagement tools, that are really applicable across disciplines, which can help me understand more about the business and the people, the groups and organizations who are affecting and being affected by us...it makes me realize the importance of being responsible and sustainable..” (Intervieewe 6).

An organizational approach to knowledge acquisition has not only been a way to generate knowledge, but it has also been a way to acquire recognition of the acquired sustainability knowledge within the organization. Interviewee 5 exemplifies:

“sustainability starts with awareness, awareness that there is a must to change the way we produce, consume and behave. Learning helps to make this awareness, it makes things happen, it creates commitment, the will to make things change and the attitude to make a positive impact towards sustainability.” (Interviewee 5)

Sustainability is learned through everyday practice and interaction, when people share information, question, invent and refine a diverse range of sustainability approaches to generate innovation. Interview 7 responded:
"...our willingness to learn all aspects of the company and product innovation will ensure we deliver great results... Therefore the strong interest in learning about sustainable fashion and teamed with our sales prowess, will ensure growth in our exciting store which will eventually create a more sustainable impact on our society." (Interviewee 7)

Based on the organizational learning, sustainability and social entrepreneurship theory explained previously in this paper and the data gathered, in the context of FPSEs there are clear and definite links between sustainable development and organizational learning. As it was explained before, social entrepreneurship is a process through which social value is created by utilizing entrepreneurial and business practices to address social problems and bring about social transformation (Tandon, 2014). In that context, organizational learning in FPSE can:

- Create and develop structures and new ways of working;
- Create organizational behavior, transform people and to change and adjust to the challenges and conditions;
- Influence values on behaviour, lifestyles and systems;
- Become a tool for increasing awareness and acquiring knowledge;
- Share information to generate innovation;

Each of these five aspects enables FPSE to encourage the development, capture and support of longer-term capacities and to generate ongoing transformation to address identified social discrepancies. This leads to advancing and increasing efficiency as well as competency to better meet the challenges of sustainability. It is evident that an increased tendency towards learning enhances organizations’ ability to meet the challenges of sustainability. Moreover, generating innovation, enhancing sustainability within the organization, and turning external pressure to become sustainable into competitive advantage as a result of proper organizational learning are very likely to increase FPSEs’ ability to address societal challenges associated with the advancement of sustainable development.
6. Discussion and Conclusion

6.1 Discussion

Organizational learning is key to embedding sustainability in FPSEs. Applying an organizational learning lens across the four cases has helped to provide some useful guidelines to answer the two sub questions and the main research question proposed in this study. The description of learning assets in the form of learning activities, knowledge source, and learning outcomes helped categorize learning in observed organizations empirically. The use of intuiting, interpreting, integrating and institutionalizing through three levels provided a bigger picture of seeing learning not only as empirical realities but as a continuous and ever-changing process happening in FPSEs. In addition, sustainability consideration helped researchers to see the links between organizational learning and sustainability, as well as understanding the role of organizational learning in establishing sustainability.

Sub Question 1: What dimension of organizational learning is more prevalent in the learning process in FPSEs, individual, group, organizational or a combination of some of them?

From the analysis of the case companies, it was discovered that learning in FPSEs is mainly presented at the individual and group level. In most of the observed cases, individuals are encouraged to learn and the companies are also supporting learning activities. Learning is occurring on an individual level through agents such as personal mastery, academic input, external advisors, customers, and competitors etc. This is the stage of individual learning and the collectivity of individual learning, according to the definition of 4I framework. After the knowledge is gained by the individuals, the knowledge sharing is quite straightforward due to the relatively small size of FPSEs and the flat hierarchical structure of organizations. Moreover, the knowledge is also stored in the group level in different forms. However, unlike large enterprises, FPSEs normally lack the competence and routines to formalize the process to institutionalize knowledge at an organizational level. In other words, FPSEs do not have the existing resources to build up a formal process to institute and spread out the knowledge fully.

Therefore, it is possible to conclude that three levels of organizational learning in the theory is not found to a full extent in FPSEs. But in the end, to create an organization that is constantly learning and adapting to the needs of the environment to stay competitive and sustainable, the organizational level of learning, sometimes also known as the institutionalization of knowledge and feedback flow, is significant for the generated knowledge to be spread throughout the organization.

Sub Question 2: What kinds of activities are done in FPSEs to enhance organizational learning for sustainability?

As it was explained previously, organizational learning can help FPSEs to turn external pressure to become sustainable into sustainable competitive advantage. Moreover, due to their nature as organizations formed to create social value, organizational development through learning and aligning the activities with the needs of the environment, employees, stakeholders, and wider society is likely to increase FPSEs’ ability to address societal issues.
FPSEs do resort to different activities to actively approach knowledge and to better utilize the outcome of this process to address sustainability issues. The learning experiences of organizations in relation to sustainability have cumulatively generated new knowledge and skills to enhance social and environmental responsibility within organizations. As it was the case before, organizational level of learning and institutionalization of learning is found only to a limited degree in FPSEs. These consistent activities among observed FPSEs that is expected to enhance sustainability commitment of FPSEs can be categorized through three levels of organizational learning (Table 6):

Table 6: Learning processes in FPSEs to enhance sustainability:

<table>
<thead>
<tr>
<th>Level</th>
<th>Process</th>
<th>Activities</th>
<th></th>
</tr>
</thead>
</table>
| Individual     | Intuiting| 1) Align new “green” core competency skills and knowledge with individuals throughout the organization  
2) Founders strengthen self-learning or encourage employees to read books  
3) Encouraging cross-institutional working and learning behaviors  
4) Continuous learning from customers and competitors  
5) Stakeholder engagement tools |
| Individual/Group| Interpreting| 1) Utilize the external advisory feedback to improve its operation  
2) Provide feedback and debriefing every time employees put their newly acquired knowledge into implementation |
| Group          | Integrating| 1) The activities such as: standup meeting, presentation, knowledge share meeting and debate lectures to share and develop their knowledge  
2) Learning programs that embed Systems, Critical and Futures Thinking about sustainability  
3) Creating transparency by giving employees the choices to make decisions and planning |
| Organizational | Institutionalizing| 1) Use online systems or tools to standardize and store useful information within the organization |
Research Question: How to facilitate the organizational learning at individual, group and organizational level in FPSEs to address the demands of sustainability?

As it was discussed before, there are signs of increasing convergence between the concepts organizational learning and sustainability. Organizational learning is one of the main methods which supports an organization’s ability to address societal problems and turn the external pressure to become more sustainable into competitive advantage. In FPSEs, building bridges between individual employees’ knowledge and collective organizational knowledge increase organizational learning and improve business sustainability in the workplace. Based on the findings and analysis, it is possible to propose three mechanisms to facilitate organizational learning towards sustainability in FPSEs: effective coaching and mentoring, communication and coordination, documenting institutional memory (Figure 5).

First, to achieve individual level learning, FPSE can develop effective coaching and mentoring mechanism. It is crucial to make employees feel they are supported by their supervisors, and they can ask for help when they have problems regarding their learning. Providing open feedback is a good way to effective coaching. It is important to ensure that employees know that managers are interested in their progress, and that they are open to hearing about any problems or issues employees might encounter during their learning. Secondly, with regards to group learning, FPSE can develop effective communication and coordination mechanisms both within the organization and in relation to the external actors such as: external advisors, customers, competitors, and partners. This gives them an opportunity to discuss the training among themselves, and will cultivate a sense of team spirit despite being at different stages of their individualized learning. Another mechanism that is used in facilitating organizational level learning is to document institutional memory. In order to preserve the institutional knowledge and pass it to future employees, using online systems or tools such as: Google Drive and Trello to document ongoing practices is a way of creating organizational learning. In that way, employees can team up to pass on lessons to their colleagues and future employees.

As it was explained previously, it is not possible “to achieve sustainability without innovation, and innovation is best achieved in a culture that embraces and fosters learning and change” (Senge et al., 1999, p.535). In that regard, embracing three mechanisms is likely to foster organizational change within FPSEs by fostering organizational learning in individual, group and organizational levels. The paper predicts that Coaching and Mentoring is likely to foster learning in individual level, and enhancement of individual learning is likely to equip FPSEs with better talented individuals who are able to share knowledge with the group. Communication and Coordination within organization is likely to speed up the interpreting and integrating process within the group level. In relation to the external environment, facilitating this aspect is likely to make FPSE to be aligned with the needs of the environment and stakeholders. Finally, institutionalization in the form of Documenting Institutional Memory can transform changes that happened as a result of organizational learning to be stored in organizational memory, and thus become every-day routine. To conclude, facilitating organizational learning through proposed three mechanisms is likely to address the demands of sustainability within FPSEs, in the form of turning external pressure to sustainable competitive advantage, as well as increasing FPSEs’ ability to address societal issues.
Figure 5: Three mechanisms to facilitate organizational learning in FPSEs to enhance sustainability and social innovation

6.2 Conclusion

FPSEs are forced to reconfigure their business process to sustain themselves in competitive business environment. Business is sustainable when organization is able to manage the pressure to become sustainable while also increasing social value. In order to achieve the desired end of sustainability, organization need to keep themselves updated and learn about the business environment in which they operate. In this research, three levels of organizational learning in the context of FPSEs and how to facilitate the processes to improve sustainability were explored. It was shown that three levels of organizational learning occur in FPSEs, but they are not occurring to a full extent, especially the process of institutionalization. However, one key factor for FPSE to survive in the competition is to facilitate organizational learning. Scholars argued that the process of knowledge institutionalization is critical to build an organization that is constantly learning. In this sense, there is a challenge for decision-makers in FPSEs to think about how to ensure that the learning and new knowledge truly disseminate throughout the whole organization. Most directly for practice, the learning activities shown in Table 6 highlights the need for these activities to be viewed and exploited at three levels - individual, group and organization. The three mechanisms to facilitate organizational learning in FPSEs (Figure 5) can provide an overview on how can the organization truly learn and develop its daily operations by exploiting its existing knowledge. Decision-makers in social enterprises must understand their critical role in providing support at each level and in
particular their role in influencing individual perceptions by emphasising the value that the organization places on improvement.

6.2.1 Implications

The findings have several important theoretical and practical implications. On theoretical perspectives, this research contributes to the field of organizational learning in two different aspects. Firstly, the study has identified a knowledge gap between organizational learning and social entrepreneurship. Former research from many scholars mainly focuses on organizational learning in the context of large commercial enterprises. Many models and frameworks have been presented and analysed. Nevertheless, considering the fact that social enterprise and in particular FSPE is an emerging term, few studies have been done to investigate how they can adopt learning practices and approaches to facilitate organizational learning. Secondly, the findings increase understanding of the situation of organizational learning at individual, group and organizational levels in FPSEs. By using a renowned framework, based on the research of Crossan et al., (1999), and applying it to FPSEs, the study addresses that the 4I processes of organizational learning appear unevenly. In other words, while the intuiting, interpreting and integrating processes are highly valued in FPSEs, the process of institutionalization of knowledge tends to have limited impact.

In terms of practical implications, the findings of this study can give FPSEs valuable insights and references to be utilized in both assessing the current situation of learning practices and activities in different levels within the organization as well as developing them further to address the needs of sustainability. Improvement on organizational learning can contribute positively to sustainability performance in FPSE. The findings emphasize that organizations need to acknowledge the value of organizational-level of learning and recognize what type of approaches should be applied to enhance the process.

6.2.2 Recommendation for further search

To conclude the research questions, some quantitative studies on this theme would be necessary to investigate the influence of organizational learning capability towards business sustainability. We also found out that individual learning is the foremost means of acquiring knowledge in social enterprises, then it can be propagated further on to other levels. During the investigation, we see that personal experience plays a vital role in acquiring knowledge at individual level of learning. But we have not made specific research in this area. Therefore, the challenge to study how to transform personal experience into explicit knowledge in the context of social enterprises is still a major concern that should be addressed in the future.
List of References


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Appendix A - Interview Guide

At the beginning of interviews, we start with some general questions regarding:

- Do you consider your organization for-profit social enterprise? (If they say yes) please briefly describe the core business of your enterprise and the social value you are trying to achieve
- What is your current position?
- When was this enterprise established?
- Please describe the size of your organization in terms of number of employees you have.
- Are you planning to scale up in the future in terms of number of employees you are going to hire?
- What do you think about when you hear the word “organizational learning”? (If they don’t understand we should explain it in two-three sentences in simple language)
- Do you think that organizational learning is the same thing as training and development or knowledge management?
- How does/would it help you to achieve your business goals?

As the interview continues, examples of interview questions grouped according to three levels of organizational learning (Odor, 1999) and to the 4I model of organizational learning (Crossan et al., 1999).

<table>
<thead>
<tr>
<th>Level</th>
<th>Process</th>
<th>Contents</th>
<th>Questions</th>
</tr>
</thead>
</table>
| Individual | Intuiting | Personal experience  
Personal memory  
Notes  
Individual capabilities | To what extent are the employees actively engaged in using their personal experience, insights, personal initiatives and opinions to organize their work?  

How do you deliver work related information and practices to the new employees, and how do you make sure that they will adapt to the work culture in your organization so that they are ready to work?  

Do you have special workshops and programmes for your new employees so that they get all the necessary training and introduction they need?  

Are employees encouraged to acquire external knowledge and information, for |
example from someone outside the organization or from their previous employers?

Do you think acquiring new practices, new ways of solving problems in the organization is best found within the organization itself or should it be imported from the outside?

Are there any tools or systems in the workplace for acquiring information for employees?

<table>
<thead>
<tr>
<th>Individual/Group</th>
<th>Interpreting</th>
<th>Language</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Cognitive map</td>
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<tr>
<td></td>
<td></td>
<td>Conversation/dialogue</td>
</tr>
</tbody>
</table>

Is your way of working focus more towards a specialized individual employee effort or is it teamwork based?

What role does teamwork play in making strategic decisions such as growth plan, agreeing on new insights in your organization? Do you have something similar to organization-wide weekly/monthly meetings for this?

How often do you see that different individuals get together and share their information so that individual knowledge acquisition transforms into group knowledge acquisition?

<table>
<thead>
<tr>
<th>Group</th>
<th>Integrating</th>
<th>Shared understandings</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>Mutual adjustment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Interactive systems</td>
</tr>
</tbody>
</table>

How do relevant information or experiences are shared among different groups?

How are employees encouraged to share knowledge and new practices that they found within the organization?

How often do you provide feedback to the employees about their performance and their practices?

How does the organization motivate employees to share and create new knowledge and practices that they acquired within the team? as opposed to getting general directions from the management
<table>
<thead>
<tr>
<th>Organizational Institutionalizing</th>
<th>Knowledge databases</th>
<th>Routines Rules and procedures Core competencies</th>
<th>Are there any group contributions/ideas that have been translated into new business practices?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
<td><strong>How does the organization’s knowledge been stored?</strong></td>
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<td><strong>When you discover a new way of doing things, how do you make sure that this new</strong></td>
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<td><strong>knowledge will be accessible to everyone in the future when it is needed?</strong></td>
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<td><strong>Are there any formal learning system or learning plans in the company? How do</strong></td>
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<td></td>
<td></td>
<td></td>
<td><strong>they come about?</strong></td>
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<td></td>
<td></td>
<td></td>
<td><strong>Do you think that some new knowledge or practice can be created and captured in</strong></td>
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<td></td>
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<td></td>
<td><strong>a way that every employee in the future can see them even if the person that</strong></td>
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<td><strong>created this knowledge is no longer part of the organization?</strong></td>
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<td></td>
<td></td>
<td></td>
<td><strong>Do you have any mechanism for that?</strong></td>
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</table>

Thank you for your time and contribution…
Appendix B - Interview Guide (Employee Level)

Interview Questions

Discuss what organizational learning is prior to asking interview questions:
“...the process of (an organization) improving actions through better knowledge and understanding” (Fiol & Lyles, 1985, p. 803).

- What is your current position in this social enterprise?
- What kind of sustainability issues does the company want to solve?
- How long have you been working with this organization?
- What is your major responsibilities in the workplace?
- What specific skills do you bring to your position?
- Are there any examples of individual learning in your company?
- How do individuals share their knowledge that they obtained within the company?
- Do you get any support when sharing knowledge with others?
- How do people usually obtain knowledge or information from the company?
- What kind of resources do they have?
- How does the organization store detailed information? Are there any tools?
- What are the outcomes of learning? Is there anything good for guiding the operations?
- Can learning help the business to achieve sustainability? Give some examples.

Thank you for your time and contribution.....
Appendix C - Observation

The structure of the observations was completely unstructured (Blumberg et al., 2005). The observer had few interest areas in mind when doing the observations. The thought-in-mind was to map out the learning process, based on the observations. The observations were written down as notes and analysed in the paper.

● Learning approach

It seemed to be a trend that learning happens to be more of endogenous (learning from inside the organization) in nature.

The organization frequently held meetings with the purpose to inform employees.

In this organization there was no formal internal training of their employees.

During the observation, there was no formal mechanism or system that ensure transfer of best practices among various areas of work in the organization.

The organization sent their employees to seminars, workshops, conferences with intention to acquire information.

● Knowledge management framework

People were encouraged to share ideas and knowledge in the organization.

They can access to all relevant information and knowledge at their exposure as and when it is required, most of the time.

Any efforts to use one’s knowledge and expertise was both acknowledged and rewarded in this organization.

People were carrying breakthrough ideas & knowledge and organization was able to harness it effectively most of the time.

People gave open feedback to each other during their meetings.

● Context & relevance of learning

There was more of a planned learning than unplanned learning.

They had a culture that promotes learning and experimenting.

In this organization, people found learning mostly relevant to job-related aspects.
In this organization, people found learning equally relevant to behavioral aspects.

- **Methods & practice**

People kept trying new methods to do things.

Problem solving was mostly carried out by trying something new.

- **Learning trigger**

People sensed more reasons to learn because of the change in factors outside the organization.

People looked up to the industry trend, competitors and tried to follow the same strategy most of the time.

- **Outcome of learning**

Learning was more of a tangible reality than an abstract idea or concept.

Learning was more seen as a means (tools & techniques) than an end result.

People saw learning more as a problem-solving behavior.

Learning was more about application than mere concept building in this organization.

- **Seeking value in existing over trying something new**

In this organization, creation was more about modifications in the existing schemes.

Problem solving was more about ‘rearrangements’ than ‘creation of new’.

External sources (reports, consultants, newsletters, etc.) were extremely important for the operations of the organization

- **Standard processes**

People extensively relied on existing and well-defined work procedures with moderate to low chances of trying something new.

- **Internal factor for learning**

People sensed more reasons to learn because of the change in factors inside the organization.