

# Becoming a Learning Organization Through Dynamic Business Process Management

*Marek Szelaḡowski*

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## **Abstract**

*As customers demand easier access to individualized products and services, companies now face an ongoing problem of how to deliver flexible and innovative solutions while maintaining efficiency and competitiveness. In this environment, the only sustainable form of competitive advantage rests in the ability to learn faster than the competition (de Geus, 1988). The article returns to the somewhat forgotten concept of the learning organization and explores how its principles can be applied with the use of dynamic business process management (dynamic BPM). Enabling in this concept individual or team-based limited experimentation and providing conditions for learning through experience in the course of performing business processes allows for the constant creation of practical knowledge. This article provides examples of how dynamic BPM facilitates the constant creation and verification of practical knowledge, with the aim of improving and adapting processes to maintain the competitive advantage of the organization.*

**Keywords:** *knowledge management, learning organization, organizational learning, knowledge acquisition, business process management, BPM, dynamic BPM, Process Mining, process-related knowledge, knowledge-intensive processes, experimenting.*

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## **Introduction**

The economy is undergoing accelerating, multidimensional changes, which are the result of the growing demand of customers for easier access to individualized products and services. Customers want products on demand, at moderate prices, and of perfect quality. They seek products with a wide range of features, products which can be adapted to their preferences, habits, and, increasingly more often, to their expectations, which are shaped by commercials and social media (Kozłmiński, 2004, p. 90). In effect, companies are forced to change their management styles — from general market orientation, focused on the average statistical customer, to management focused on the individual customer. In consequence, companies are forced

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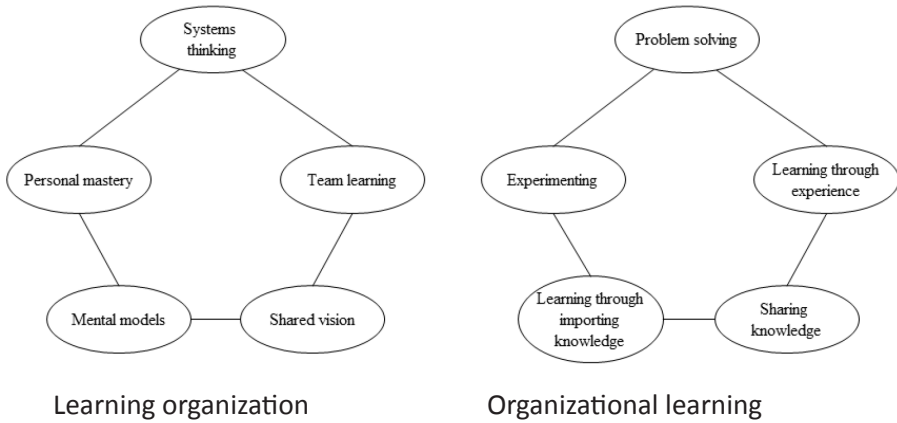
to update their knowledge on their customers' needs on an ongoing basis. However, it is no longer possible to gain a complete understanding of the clients' ongoing needs on the basis of their past choices. Changes in customer needs, which are the result of globalization, technological changes, the influence of social media, or the rapid implementation of scientific discoveries (e.g. in medicine, cosmetology, or electronics), are so common that it is essential for companies to operate in and understand the present on the basis of their knowledge of the perceivable future (Kisielnicki and Szyjewski, 2004, p. 1).

This means that organizations must strive daily to keep their rules of operation relevant. Furthermore, their information on the current and potential needs of their customers must be updated on an ongoing basis (Fiol and Lyles, 1985). Organizations should constantly verify and update their current knowledge, as well as gain access to more recent knowledge, by means of collecting and analyzing experiences resulting from their ongoing relations with their clients, partners, as well as their competition (Rybiński, 2014). In other words, companies should constantly learn how to operate with their clients in mind, even though their clients might not know today what they will need tomorrow. The problem is how to find sources of recent knowledge, and how to extract and verify information on the trends which underlie the changing needs of the clients. From whom should the organization learn? Where is the source, or where are the sources, of always-current and implementable knowledge, which will provide the organization with competitive advantage?

### **A learning organization - literature review**

The concept of a learning organization first came to prominence in the 1990s. Among the various definitions of a learning organization, this article will make use of two. One of the most popular definitions of a learning organization was formulated by Peter Senge. According to Senge (1990), learning organizations are “[...]organizations in which people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together” (p.19). The second definition was formulated by C. Sikorski and reads as follows: “[...] a maximally flexible organization, in which routine, habits, and stereotypes do not replace the dynamic reality” (Mikuła, 2001, p.29-35). One could also state that a learning organization is an optimally flexible organization, in which routines, habits, and stereotypes change under the influence of the knowledge of the dynamic reality and the perceivable future. According to P. Lassey (1998), the

key to understanding a learning organization is development. Assuming that the learning process is a modification of behaviors, a learning organization must be capable of modifying its own patterns of behaviour (Lassey, 1998, p.7). In effect, it must be able to adapt, transform, and to develop itself (Mikuła, 2001, p.30). Then it will have perfectly implemented processes of organizational learning, which work on an ongoing basis. This is a good point of departure for looking at an organization from a somewhat different perspective: that of organizational learning.



**Figure 1.** Two approaches: a learning organization (Senge) contrasted with organizational learning (Garvin)

Source: Jashapara (2011), p.183.

In P. Senge's model, building a learning organization is predicated upon the five following disciplines: personal excellence, team learning, systemic thinking, thought models, and a shared vision. According to Garvin, a learning organization should be proficient in generating, acquiring and sharing knowledge, as well as implementing the newly-acquired knowledge into ongoing activities (Jashapara, 2011). From the perspective of Garvin's model of the theory of learning, there are two fundamental methods of learning on the level of individual, team, and organization:

- 1) **shaping:** learning through experience and using the trial and error method, or, in other words, active experimentation in solving ongoing problems and daily challenges.
- 2) **modelling:** adopting the experiences of others, or education and the observation of other teams or organizations, and adopting their methods of operation.

E. Tsang stated that organizations learning from practice will automatically gravitate towards making improvements in their performance, as long as the process is accompanied by appropriate knowledge (Tsang, 1997, p.78). At present, this method of learning is increasingly singled out as the most effective. Nevertheless, it remains necessary to solve the problem of gaining, analyzing, and circulating experience gained from active experimenting and knowledge acquisition, including the knowledge obtained by observing other organizations (Pfeffer and Sutton, 2000). Processes pertaining to knowledge management in the organization within such a system should share several features in common with the general knowledge lifecycle model:

1) The creation of new knowledge

Employees should be able to make individual choices on how to approach their work. Organizational procedures (e.g. ISO quality management systems) and process models should enable employees to search for the most efficient solutions, or de facto allow for active experimentation, which is present in Garvin's model (1993).

2) The analysis of created knowledge

The management should be able to monitor changes introduced to work performance on an ongoing basis, as well as to measure the results of work in an objective and quantifiable fashion, both on the level of comprehensive customer support (individual orders, contracts, or products) and the level of particular activities. Only then will it be possible to identify those experiences which should be shared throughout the organization (best practices), as well as to identify those behaviours which should be avoided (wrong practices).

3) The dissemination of knowledge

The process of organizational learning should not be limited to collecting knowledge and information, but should also allow for their rapid dissemination throughout the organization with the aim of using knowledge in business practice in order to gain competitive advantage.

A system with the above features allows us to model all activities within the company. The company's knowledge on customer expectations and the efficiency of particular adaptation mechanisms should be stored in appropriate common-use databases and verified on a continuous basis. Such well-applied knowledge quite frequently guarantees a competitive advantage in terms of reaction time and the implementation of processes which adapt to changes outside of the organization. In an ideal situation, an organization should possess knowledge which allows, with great probability, to anticipate, or at the very least, closely follow the changes that are happening or are about to happen outside of the organization (Mikuła, 2001, p.66).

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## **The concept of dynamic business processes management (dynamic BPM)**

All organizations which want to function in the 21st century should be centered on processes (Hammer, 1996). Thanks to the possibilities offered by modern IT systems, process management does not need to be limited to the routine, repeated execution of the same actions with a defined production method and a clearly defined, wholesale end product. Process-driven companies are no longer limited to executing the same actions, which were tested in practice time and again and which can be changed only at the consent of upper management (Kisielnicki and Szyjewski, 2004, p.6). Due to the ever-changing customer demands, as well as the changing competitive environment that companies find themselves in, processes should be maintained, i.e. quantified, adapted to changes, and elaborated upon in detail after their implementation (Szelągowski, 2013). This is why, according to Michael Hammer, among others, the concept of dynamic Business Process Management (dynamic BPM) is the practical solution to the management of a learning organization. This concept is based on the implementation of process management in accordance with the following three basic principles:

### **I. Evolutionary changeability during the realization process**

Employees executing a certain process should have the freedom to introduce changes in accordance with the current demands of the customer. This is why standard processes implemented within an organization are called “standard processes as of today”. Because in reality there are no two identical conditions for completing different processes (e.g. two identical construction investments, two identical consultant projects, two identical tailor-made suits), process executors introduce changes to the standard process in accordance with client demands, technological requirements, or the executors’ own experience. Processes must be defined and implemented in such a way that their course and the activities performed in each step of the process can be supplemented, or even changed by their direct executors. Previously, only process owners were entitled to introduce changes to ongoing processes, but nowadays the direct executors of such processes should also be allowed to make such changes. They should be able to perform limited experiments by performing actions, or even entire fundamental processes, which are not included in the standard process “as of today”, as well as to discontinue performing actions or processes which no longer add value (Garvin, 1993). The scope of such possible experimentation should, of course, be limited to such an extent, as not to lead to chaos.

## **II. Processes are considered completed only after having been documented**

Only under this condition can we compare the *definition of the process* (“the standard process as of today”) with the *execution of the process*. And only then will an analysis of the comparison provide us with full, up-to-date, contextual information about all of the active experiments or innovations introduced by process executors, as well as about their effects. And only then will it be possible to systemically transform hidden knowledge into shared disclosed knowledge of an organization (Vines and Hall, 2011, pp.23-25). In order to avoid additional, inessential documentation of the performed activities, the performance of a process itself should be considered tantamount to the documentation of a process with the use of e.g. a work flow system, a business process management system (BPMS), a case management system, or a personal intranet portal. Thanks to Automatic Business Process Discovery (ABPD) tools and Process Mining, we can also identify the course of a process within the standard systems used throughout the organization, e.g. communication, ERP, or CRM or other systems. We can also identify the stages of a process or analyze the introduced deviations from the standard process, and then expand or enhance the standard model (Aalst and Dustdar, 2012, p.82–83). In effect, we can speak not of ex post management, but of dynamic day-to-day management on the basis of data which systematically reach the management (Process Mining Manifesto, 2012).

## **III. Comprehensiveness and continuity**

The introduction of process management should include processes which, at a minimum, describe the most fundamental operations of the company. If possible, the descriptions should also include the suppliers, the partners (who e.g. work in one organization network), as well as the clients. This would enable the company to seek methods of raising its efficiency through experimentation encompassing all actions which provide value for the client (Champy, 2003). The aim is not to minimize the costs or the labor time in a company which is e.g. the main contractor. The aim is to minimize the overall costs and the overall supply requirements, while also lowering the total time of execution (Hammer, 1996). This would considerably widen the range of opportunities of increasing efficiency, and often also reduce the time of completing a project due to optimizations which take into account activities which fall outside the range of a single company (e.g. supply, warranty service) within a single value-adding process, which would define the total cost for the customer (Drucker, 1999).

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**Dynamic business process management maintains all of the standard capabilities of process management, but it also allows the process executor to shape his/her work in a creative fashion**

In standard, static implementations of business process management in organizations, the process executor still plays the role of a systematically controlled “cog in the machine”. In dynamic BPM, however, thanks to the opportunities offered by modern computer systems, the owner of a given process is able to observe actual multiple executions of a process and their end results and is able to supplement or remodel the standard process in accordance with best practices, understood as such practices which have led the process to success in its subsequent iterations. This can be achieved through preventing mistakes (e.g. supplementing the process with control and verification actions before making a decision), through adding faster, more efficient actions, which allow for the completion of the process with better results (e.g. by a different division of work, omitting unnecessary decision levels, a more detailed definition of customer expectations, faster coordination of work with subcontractors, introduction of newer technologies, etc.), or perhaps through other activities, which could not have been foreseen at the time of designing the process. Such activities are often factors which were known earlier, but whose importance was neglected. Including all possibilities in the description of the process may have been considered too expensive or physically impossible. At the same time, analyzing particular executions of a single process leads to identifying practices that should not be copied or imitated. These might be called “wrong practices”. They are the result of identifying unquestionably failed experiments and fields in which the company’s knowledge has become outdated.

Dynamic BPM is not the first attempt at overcoming the limitations of classic, static process management, and adapting it to the requirements of a hypercompetitive organizational environment. The most well-known concept, though perhaps one of mere historical significance at present, is the concept of Business Process Reengineering (BPR). Its authors, M. Hammer and J. Champy (1993), accented changes to the organizational environment and the lack of adjustment of organizations to their new conditions. The scholars advocated for fundamental re-evaluation and radical redesign of the sum of processes of an organization. Not just mere improvements, enhancements, or modifications, but complete re-evaluation and redefinition. In effect, reengineering was not preoccupied with negligible growth or minor improvements, but rather, it was focused on qualitative leaps, analogous to the qualitative changes in the organizations’ environment. (Zimniewicz, 1999).

Despite the fact that the concept of reengineering was met with considerable interest and was quickly popularized, growing experience and the growing number of implementations revealed that reengineering does not live up to its promises (Davenport, 1995). The main reasons behind BPR implementation failures are:

- large scope of implementation,
- its one-time character,
- rejection of all prior experiences,
- top-down (prescriptive) introduction of changes.

In turn, such threats are nonexistent in projects managed along the principles of dynamic BPM. The concept of dynamic BPM is based on:

- creating knowledge in the course of limited, local experimentation (no issues resulting from the massive scope of an implementation);
- ongoing verification of current knowledge and the creation of new knowledge (no issues resulting from the one-time projections of the future and the rejection of prior knowledge);
- involvement of the largest possible number of employees (no issues resulting from misunderstanding or even rejecting changes imposed on the employees from above).

The concept of dynamic BPM allows for the practical use of performed business processes as an internal source of organizational knowledge. It should be stressed once more that this source of knowledge operates on an ongoing basis and allows for:

- the accumulation of up-to-date knowledge, which can be implemented on an ongoing basis. (Vines and Hall, 2011, pp.23-25).
- the ongoing verification and enhancement of acquired knowledge (Dalmaris, Tsui, Hall, and Smith, 2007, pp.12-16).

It should be stressed once more that in contrast with BPR, such knowledge is created and used in the course of an organization's normal activities, in the form of dynamic workflows, actions, and cases embedded in business process, rather than projects managed by external consulting firms (Remus and Schub, 2003).

### **Dynamic BPM and the management of a learning organization**

Companies managed in accordance with the concept of dynamic BPM practically instantly become companies which fit the definition of learning organizations. All, or at least a wide range of employees in an organization produce collective, accessible knowledge in the process of recognizing and selecting new solutions (Table1).



**Table 1. Mapping principles of dynamic BPM to the learning organization needs**

<b>dynamic BPM</b>			
<b>Learning Organization</b>	<b>I. Evolutionary changeability during the realization process.</b>	<b>II. Processes are considered completed only after having been documented.</b>	<b>III. Comprehensiveness and continuity.</b>
<p>1. The creation of new knowledge</p>	<p>Generating new knowledge through the creation of new business processes or the adaptation of existing business processes to the requirements of customers, suppliers, and employees.</p>	<p>Collecting complete, contextual knowledge about: - the expectations of customers, suppliers, and employees, - active experimentation and its results.</p>	<p>Creating and gathering contextual knowledge on the entire fundamental process executed by different organizational units, suppliers, or the customers themselves.</p> <p>Process identification – knowledge on how the organization operates (or rather: should operate).</p>
<p>2. The analysis of created knowledge</p>	<p>Contextual analyses performed during the process execution, including the ongoing monitoring of benchmarks and actual processes.</p>	<p>A complete, contextual analysis performed after having performed the processes, including comparative analysis of benchmarks and the actual execution of processes.</p>	<p>Analysis of the impact of limited experimentation on the results of the entire fundamental process, which enables organizations to avoid fragmented sub-optimizations.</p> <p>Planned actions of the organization's management.</p>
<p>3. The dissemination of knowledge</p>	<p>The possibility of immediate, creative use of newly-created knowledge.</p>	<p>Communities of practice centered around knowledge obtained during the course of processes execution (best practices and wrong practices).</p>	<p>The organization's knowledge base. Standard communication of knowledge in the organization.</p> <p>Current knowledge on the processes of the organization. The availability of contextual knowledge on various scenarios of executing processes and their results in actual business performance.</p>

Below is an overview of the process of knowledge management and the broad creation of accessible and available knowledge in a learning organization managed with the use of dynamic business processes. Each newly-hired employee receives fundamental data and information on the company and its specific character. Usually, such information, apart from introductory training sessions, is provided in the course of a senior employee/novice mentor relation. Once the work is started, the junior employee begins to generate individual knowledge, as well as contribute to the creation of the organization's collective knowledge. Should the employee leave the company, he/she also irrevocably takes away his/her individual knowledge, which quite often contains a significant amount of the so-called "hidden" company knowledge that neither the owner nor the company managers are able to absorb and keep in the organization (Perechuda, 2004, p.1). The process owner is responsible for planning/forming the processes, as well as for training the process participants. In other words, the process owner is the one who shares knowledge with the novices. Thanks to the possibilities offered by dynamic business processes management, after the preliminary period of familiarizing new employees with the courses of business processes which comprise the organization's collective knowledge, the employees then generate such collective knowledge on an ongoing basis through the identification and selection of new solutions, as well as the verification of processes in actual day-to-day activities. Such ongoing verification (*the first characteristic of dynamic business process management*) is fundamental. Without it, in the age of rapid technological changes, as well as changes to the company's environment, it could easily turn out that the company is using old and outdated knowledge, generating something we have previously called "wrong practices".

In consequence, the ability to create and verify knowledge (best practices and wrong practices alike) on an ongoing basis is a fundamental skill, which allows companies to preserve their permanent capability of both changing and reacting to change. We are not speaking of an action, of restructuring, reengineering, or similar provisional measures, which are usually unrelated to the generation of added value for the customers, and aimed at restoring the ability to fulfil customer needs. Instead, what we have in mind are continued actions pertaining to the fundamental operations of the company, which enable the company to adapt to changing conditions. Such conditions include the changing expectations of the customers, the proprietors, and the staff (indeed, fulfilling the expectations of one's employees may be as crucial as fulfilling the demands of the customers from the point of view of motivating good performance). Within dynamic BPM, the ability to change and to generate change is permanent and inscribed in the company's ongoing actual operations. It fulfils all of the requirements put forward by Drucker or

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Hammer with respect to the “institutional ability to change” (Heijden, 1996, p.18). By means of verifying organizational knowledge on an ongoing basis and attempting to introduce innovations which would increase efficiency and provide the company with competitive advantage, dynamic BPM creates and institutionalizes the company’s potential to self-reform. The key to success is not being able to predict the future, but rather, the continuous adaptation of the rules of operation, in order to face an unforeseeable and surprising future (Płoszajski, 2004, p.1).

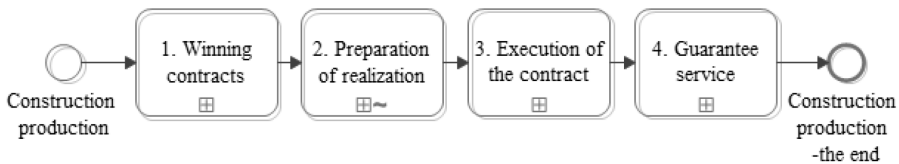
By introducing principles which allow for the dynamic modification of processes, companies inseparably combine their fundamental operations with their day-to-day capability of introducing innovations, generating knowledge, and changing. Because process executors are able to change processes dynamically, the entire system of business management opens itself up to the creative initiatives of employees without introducing the danger of chaos associated with the uncontrolled change of rules of operation. Additionally, with the ability of monitoring the effects of changes, we can enrich the collective knowledge of an organization with the practices and solutions which provide the best results. Now we can indeed see M. Hammer’s vision of what it means to be a process-oriented organization, where process enhancement is neither secondary nor peripheral, but central to the task of management. This is what M. Hammer called the deep system of management, which monitors, administrates, adjusts, and reforms the surface system, to generate value for the customer (Hammer, 1996). However, it is not a separate, external system which, apart from generating additional costs, might easily begin to be perceived within the company as another bureaucratic duty, impeding normal work. Instead, it has the role of enabling genuine day-to-day enhancements and adaptations introduced in the process of analyzing the course of processes. The body of knowledge on the best practices which are currently in operation, as well as on the direction and methods of their modification, is the company’s property. At the same time, the “hidden” knowledge is being minimized. IT systems which are responsible for dynamic business process management, along with their databases, make practically all of the collective knowledge of the organization accessible to all employees. It goes without saying that in such a situation, even when key employees leave the organization, practically all of their “individual knowledge” remains in the company and remains its property by default, regardless of whether the company is traditionally managed or operates as a virtual network. There is just one condition: the Management Board, or the “integrator” of a network company, should consequently enforce the use of dynamic process management tools and the rules of activity documentation, as well as make use of the possibilities offered by e.g. Process Mining tools.

## Experimental results and discussion

In order to demonstrate the process of organizational learning through the daily operation of dynamic BPM, let us consider two examples of its practical implementation.

The first example is the change of one of the fundamental business processes in the largest Polish construction business. The standard main process of the enterprise, which was initially identified and is presented in Figure 2, is comprised of 4 main processes:

- 1) Winning contracts,
- 2) Preparation of realization,
- 3) Execution of the contract,
- 4) Guarantee service.

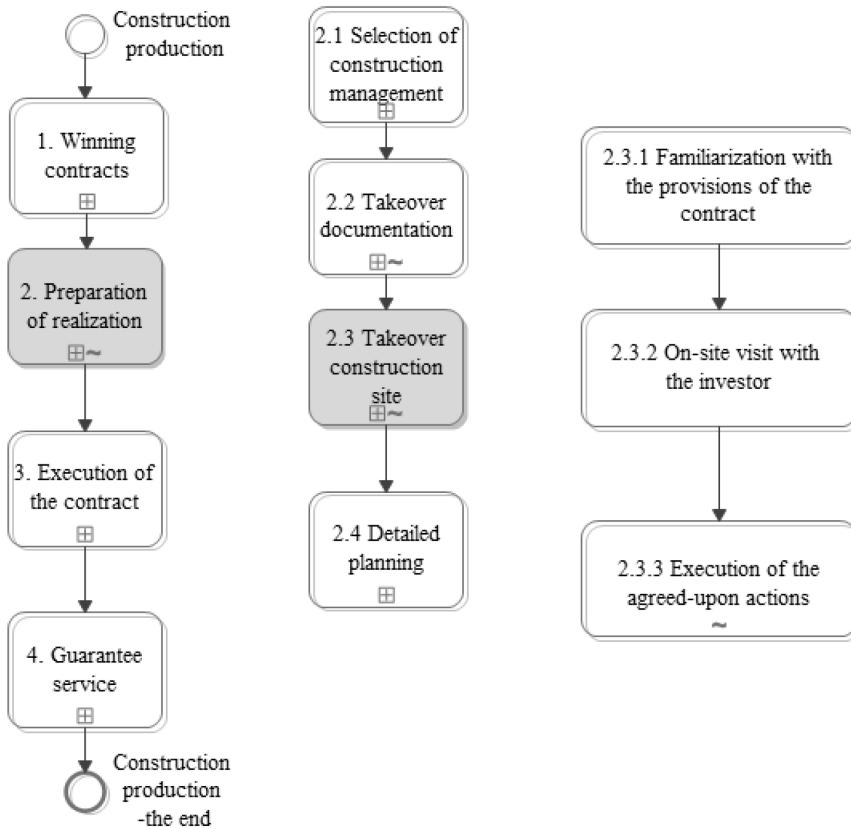


**Figure 2.** The main process of the construction company

The second part of the main process, “Preparation of realization”, is further divided into 4 sub-processes. The sub-process “2.3. Takeover of the construction site” is comprised of the following actions pictured on the right-hand side of Figure 3.

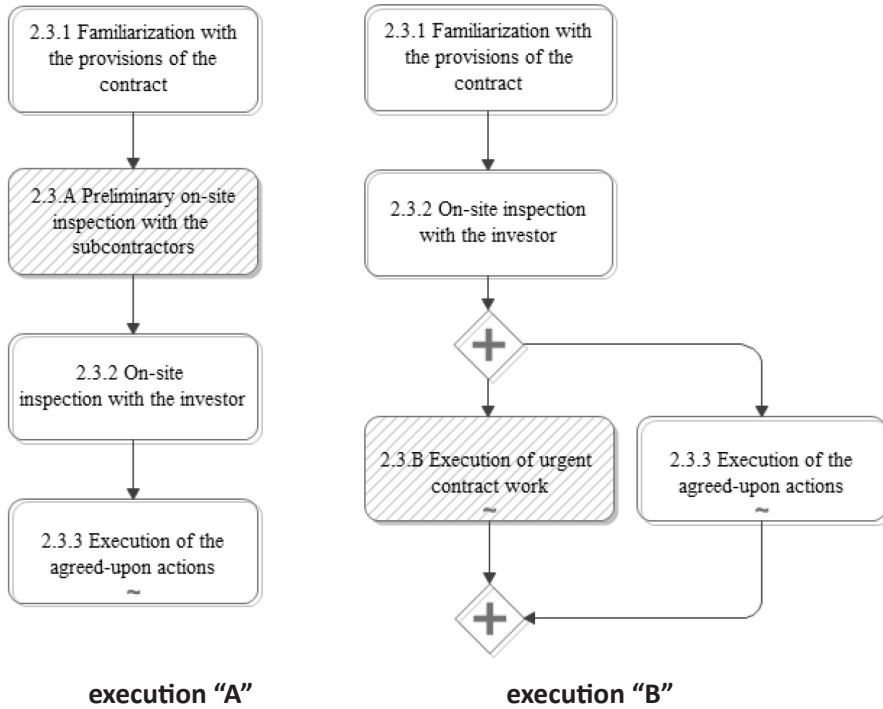
In the case of each large or medium-sized construction business, the “2.3 Takeover of the construction site” sub-process is executed multiple times with each new contract or investment action. For that reason, it is crucial for this sub-process to be tailored to the needs of the business and the demands of particular investors. It can be just as expensive to either omit crucial actions (such as on-site inspection or general contractual risk assessment) or to overburden the process with actions which generate additional costs or loss of time.

Having implemented the process and analyzed its subsequent executions, the process owner and the business management singled out two executions for further analysis. Both executions resulted in a fast and problem-free takeover of the construction site and launch of the investment. Both of these executions, which are presented in Figure 4, are different from the standard (current) process.



**Figure 3.** The standard (current) process “2.3. Takeover of the construction site”.

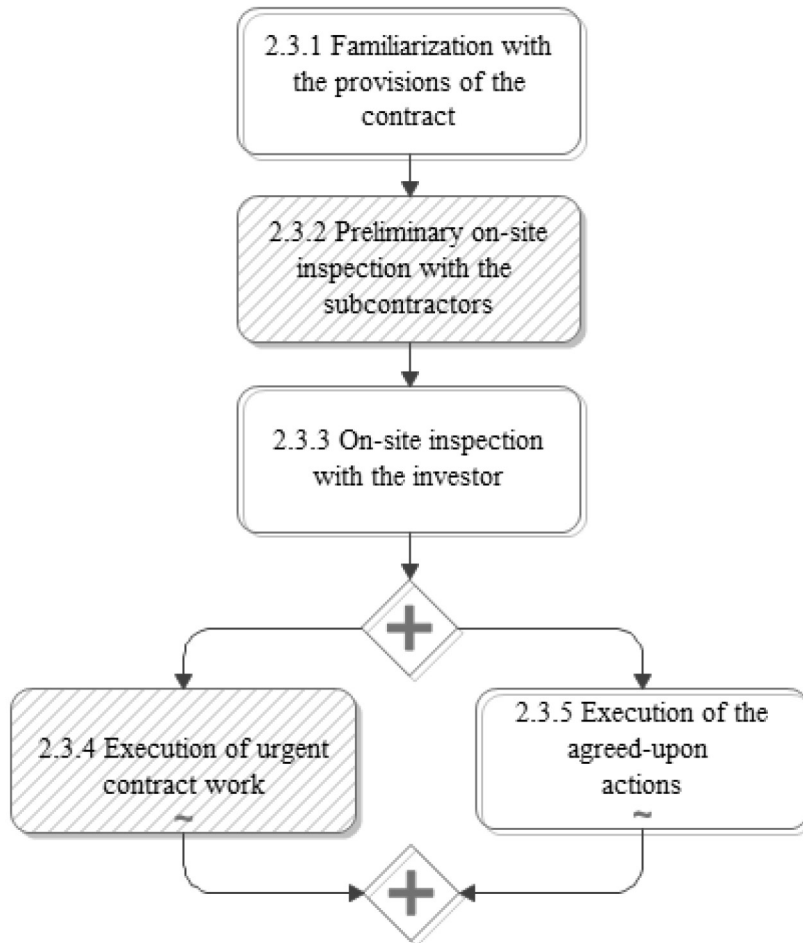
Execution “A” was different from the standard (current) process in that it also included the action “Preliminary on-site inspection with the subcontractors”, or those who would execute their share of work. This allowed the contract manager responsible for the process to be better prepared for the on-site inspection with the investor, and thus to establish the needs and risks of construction in a more accurate manner. This, in turn, resulted in a faster and a problem-free commencement of the contract.



**Figure 4.** Actual executions of the basic sub-process “2.3. Takeover of the construction site”

In the course of execution “B”, the on-site inspection identified some deviations from the provisions of the contract, which required additional preparation work on the part of the investor. However, in order to avoid delays, the contract manager (the process executor) decided to begin the execution of the contract and the execution of urgent contract work (preparation work) at the same time. In effect, even in this case, departing from the standard process resulted in a faster and timely commencement of the contract, as well as efficient cost reduction.

Having performed an ex-post analysis of the execution of this process, its owner has introduced changes to the “2.3. Takeover of the construction site” sub-process, as pictured on Figure 5.

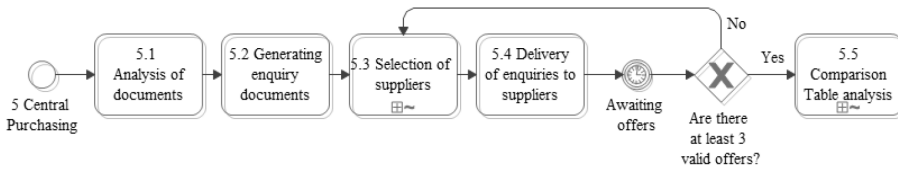


**Figure 5.** The new standard process “2.3. Takeover of the construction site”

The change made in the process repository through the associated Process Portal accessible on a corporate intranet, has been communicated instantly throughout the organization. Despite the lack of a business process management system (BPMS), it has been implemented throughout the entire organization regardless of the geographical location of the ongoing contracts. (At that time, the business was in the process of executing about 120 contracts all around Poland.)

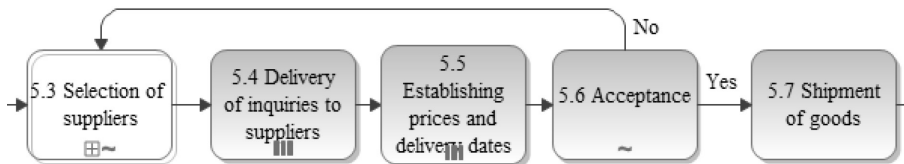
In conclusion, thanks to the rapid practical verification of knowledge, the organization was able to supplement its processes with new elements and make use of them on a broad scale as fast as possible.

In the second case, the business managed to avoid substantial risks associated with its ongoing operations thanks to the rapid identification, verification, and circulation of process adaptations in reaction to changes in its environment. The identified standard (“the standard process as of today”) Central Purchasing Process of the company is pictured in Figure 6.



**Figure 6.** The standard (current) process, “5. Central Purchasing”

This process requires receiving at least 3 valid offers for each purchase and assumes standard waiting times of 14 days for making offers. In 2006, during the market crash for building materials in Poland, the execution of such a process was practically impossible. The prices of building materials fluctuated each 2-3 days by several, and at the onset even a dozen or so percent. E.g. the basic MAX ceramic hollow brick, which initially cost 1.5 PLN, was then offered for 2.5, 5, or even 6 PLN. For a construction business looking for tens or even hundreds of thousands of individual bricks, the price risk was immense. At the same time, the same risk was faced by suppliers, who refused to make offers with a period of validity of 30 or 60 days, because the prices themselves fluctuated each 2 or 3 days.



**Figure 7.** The new standard process “5. Central Purchasing”

In the course of several days, the Central Purchasing team developed changes to the Purchasing process and tested them in practice, which enabled the business to function in the circumstances it was facing (Figure 7). The inquiries were sent to suppliers via email. The suppliers agreed to make their offers the same day via phone or email, providing for the size of the order, the delivery date (almost always “ASAP”), and even the place of delivery. On the same day, the offers were collected and negotiated via phone and following



internal consultations, either the best offer was accepted or the process of sending inquiries and negotiating offers began anew. Accepting an offer was practically tantamount to the goods being shipped immediately.

After the new version of the process was developed and tested in practice in the course of ongoing operations by regular employees of the department, it was accepted as a contingency plan. This change was communicated throughout the entire organization and entered in the official rules and regulations of the company.

It should be stressed that the development and implementation of this change should be primarily credited to the regular workers of the business, in cooperation with the suppliers. By way of minor experimentations, the regular workers independently applied the knowledge of the organization, as well as their own experience, to an unforeseen market situation. By allowing for the rapid circulation of this knowledge, the management ensured its widespread use in accordance with the interests of the company and the expectations of its clients (the construction works were not delayed). This ability to draw on the experience and engagement of a wide range of employees in modifying the rules of operation to account for newly-acquired knowledge is the basic principle behind how an organization learns new things to remain in touch with the actual necessities of its operations, as well as ongoing changes of circumstances, which might have strategic importance (Garvin, 1993).

In conclusion, in a situation where external pressure was exerted on the enterprise, thanks to rapid and limited experimentation the organization managed to adapt to an unforeseen situation by supplementing its knowledge to date with new elements and making widespread use of such knowledge as fast as possible.

## **Conclusion**

The fundamental abilities of a learning organization include knowledge management and the ability to use knowledge quickly, on a broad scale, and in a controlled manner, with the participation of the largest possible number of employees (Senge, 1990, p.19). Organizations managed in accordance with the principles of dynamic BPM practically almost immediately fulfill all the requirements of a learning organization. Such an organization can create new knowledge on an ongoing basis in the course of active experimentation, which adapts the organization's activities to the changing requirements (the first principle of dynamic BPM). It can also verify its knowledge in a transparent fashion and make the results of such a verification available both to the management, as well as to a large number of employees, in the form of a full context for all performed processes (the second rule of dynamic

BPM). In effect, such results can be used to adapt to the changing market conditions and the competition on an ongoing basis in the course of at least an entire fundamental process.

The concept of dynamic BPM, developed since 2004, is not the first attempt at overcoming the limitations of classic, static process management, and adapting it to the requirements of an increasingly more hypercompetitive business environment of the organization (D'Aveni, 1994). However, as we exemplified, the experience of its implementation to date raises the hope that by genuinely using the dynamism of a wide range of employees, this concept will allow us to combine the effectiveness and efficiency of process management with the flexibility and openness to change provided by a learning organization.

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### **Abstrakt (in Polish)**

*Ponieważ klienci oczekują łatwiejszego dostępu do zindywidualizowanych produktów i usług, przedsiębiorstwa muszą zmierzyć się z problemem jak dostarczyć elastyczne i innowacyjne rozwiązania przy jednoczesnym zachowaniu wydajności i konkurencyjności. w gospodarce wiedzy jedyną szansą na uzyskanie trwałej przewa-*

*gi konkurencyjnej jest zdobycie przez przedsiębiorstwo zdolności do uczenia się szybciej niż konkurencja (de Geus, 1988). Artykuł powraca do trochę zapomnianej koncepcji organizacji uczącej się i bada, jak jej zasady mogą być stosowane w organizacji zarządzanej zgodnie z koncepcją dynamicznego zarządzania procesami biznesowymi (dynamic BPM). Umożliwienie w tej koncepcji realizacji indywidualnych i zespołowych ograniczonych eksperymentów oraz zapewnienie systemowych warunków do nauki przez doświadczenia zdobywane w czasie realizacji procesów biznesowych, pozwala na ciągłe tworzenie praktycznej wiedzy. Artykuł zawiera przykłady, jak dynamiczne zarządzanie procesami ułatwia stałe tworzenie i weryfikację praktycznej wiedzy, w celu poprawy i dostosowania procesów do wymagań klientów oraz utrzymania przewagi konkurencyjnej organizacji.*

**Słowa kluczowe:** zarządzanie wiedzą, organizacja ucząca się, organizacyjne uczenie się, nabywanie wiedzy, zarządzanie procesami biznesowymi, dynamiczne zarządzanie procesami biznesowymi, eksploracja procesów, wiedza o procesach, procesy wymagające znacznej wiedzy, eksperymentowanie.

## Biography

**Dr inż. Marek Szelański** is an experienced business process management specialist. Author of an increasingly popular concept of „dynamic business process management” (dynamic BPM) and „Process criterion for significance.” He has had more than 20 years of experience in implementing IT solutions in support of management. He has participated in the development and implementation of IT solutions in the areas of accounting, human resource management, production, project management, IT infrastructure management, etc. He worked as CIO for Budimex Group and was responsible for the creation and development of the IT office, and most of all IT strategy for adapting to changing business needs. Currently involved in dealing with dynamic BPM implementation process management based on common sense to improve and simplify processes, choosing and implementing solutions tailored to the client’s situation. Corresponding address: 02-372 Warszawa, ul Opaczewska 44/18. Mobile: 601 62 02 81. Email: marek.szelański@dbpm.pl.