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POLITICAL SCIENCE ■

Department of Accounting

Organizational Learning and Control System Design

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Date: 20 January 2010

Time: 4.00-5.30pm

Venue: ARWR

Abstract

Organizational learning is viewed as one, if not the, most critical success factor in creating enduring competitive advantage through innovation and idea creation. Doubts have been raised in the literature, however, about the role of management control in contexts focused on learning and innovation. We examine how firms make interrelated control choices to support the implementation of an organizational learning strategy, in particular the delegation of decision rights, performance measurement and incentives. We follow Roberts (2004) and expand the control choice set to include a fourth interrelated component that we predict to be of significant importance in a learning context, namely selection processes. The paper contributes to the literature by assessing not only how organizational learning influences these four interrelated control choices, but also whether these choices enhance the ability to achieve goal congruence within the firm and whether this in turn impacts on innovation outcomes. Our analysis, based on a cross-section of business unit managers, provides broad support for the importance of control choices in a learning context.