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Exploring Dimensions and Demographics in Relation to Learning Organization

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Abstract:

This is an empirical study focusing on determining the barriers faced by Indian banks on their journey to become a learning organization. Data was collected from 368 participants and then it was analyzed using descriptive statistics and one way ANOVA. The results revealed that learning environment and employee empowerment are the least focused upon dimensions implying that they need attention and have to be addressed in the journey of Indian banks to become a learning organization. In the present study the relationship between leaning and demographic factors is also determined. One way ANOVA was used to determine the said relationship and it was found that age does not impact learning, whereas the total work experience of an employee and also the work experience with the current organization affect learning. The study is important as many researchers have highlighted that empirical studies related to the learning organization are less in number. Also, the concept of learning organization in Indian banking industry has not been studied widely.

Keywords: Learning organization, banks, one way ANOVA, India

1. Introduction

Banking system of a country is said to be the backbone of the economy of a nation. This backbone of Indian economy has been facing many challenges since long and is still posed with challenges like managing non-performing assets, governmental rules and regulations, technological advancements, cost, risk and recovery management. The business environment of the 21st century is different from the environment of 18th and 19th century in many aspects and thus the organizations. The economic environment has changed and has become more volatile. The customers have become more demanding and their demands show unpredictable patterns, from push strategy the market has moved to pull strategy. Forces like globalization have changed the face of the world. Many other factors, too, have caused a stir in the business environment; customization has overtaken mass production, technological advancements have caused rapid changes in product life cycle; processes as well as preference of customers, and competition has become stern. Globalization has shrunk the world, access to information leads to huge changes, the future has become unpredictable; and thus learning has become unavoidable.

Banking Industry in India is also not untouched by this change of game. Forces like nationalization, liberalization, privatization and globalization have changed the face of the Indian Banking Industry. Such challenges call for updating the policies, procedures and people skills. To survive in such environment, learning has become the need of the hour. To add to this need the concept of learning organization has been emphasized by many researchers.

Many researchers have identified the link between Learning organization characteristics and performance of the organization. The aspects of financial performance and Operational performance have been captured by Watkins and Marsick (1993) in Dimensions of Learning Organization Questionnaire developed by them. Empirical support to establish the relationship between Learning organization and Financial performance is given by Ellinger (2002). Different other forms of performance have been linked to learning as well. Direct relationship between organizational learning and market performance has been established by Tanriverdi and Zehir (2006). The learning organization's relationship to knowledge performance, financial performance and customer satisfaction were found to be statistically significant in a study conducted by Power and Wadel (2004).

It has also been established by Khadra & Rawabdeh (2006) that the organizations that follow the path of becoming a Learning Organization are more open to change and more adaptable to the new environment. Thus, learning capability of a firm directly impacts the non-financial performance which further impacts the financial performance of the firm. Weldy (2009) connected the idea along with transfer of training and proposed that it could lead to performance improvement of a firm. Thus, studying the prevalent learning practices of learning organization becomes important. The specific objectives of the present study as identified are as under:

1. To determine the barriers as faced by Indian banks to become a learning organization.

2. To examine the difference in prevalent learning practices as experienced by employees on the basis of their AgeGroup, total work experience and experience with the current organization.

2. Literature Review

2.1. Defining Learning Organization

Senge (1990) [8] popularized the concept of Learning Organization. His definition of learning organization is composed of three basic elements namely expansion of people's capacity, nurturing new patterns of thinking and continuous learning. Pedler, Burgoyne, Boydell (1991) in their book 'The Learning Company' highlighted their dream of creating organizations which can adapt, change, and transform themselves as per the requirement of internal or external environment or people. They used the word company instead of organization and defined it as "An organization that facilitates the learning of all its members and continuously transforms itself." Both the definitions focus on learning of the organization's members. Pedler's (1997) definition again emphasizes on the learning for all its members and transformation of self. Garvin (1994) on the other hand focused on the creation, acquisition and transference of knowledge, and at subsequently reflection of this new knowledge

Nevis et al. (1995) added certain other elements of values, policies, practices, systems and structural support to learning. Gephart (1996) talked about the learning processes to be analyzed, monitored, developed, managed and aligned with improvement and innovation goals.

Certain new aspects have been added from time to time in the definition of learning organization by numerous researchers; such as constant improvement and experiment. Lewis (2002) added the sharing of new knowledge and application of that acquired knowledge as two new dimensions in the pool of Learning Organization definitions. He basically talked about making Knowledge management as a major part of the concept of the Learning Organization.

Marquardt (2002) gave a comprehensive definition "A learning organization is a company that learns effectively and collectively and continually transforms itself for better management and use of knowledge; empowers people within and outside the organization to learn as they work; and utilizes technology to maximize both learning and production". Armstrong and Foley (2003) elaborated Learning organization by adding structural and cultural facets such as visions, values, assumptions and behaviors; to support a learning environment and learning. They also talked about identification of learning needs that foster people's learning and development by identifying their learning needs and facilitating learning.

Moilanen (2005) added the concept of leadership and feedback in the definition of Learning Organization and defined it as "a consciously managed organization with learning as a vital component in its values, visions and goals as well as in its everyday operations and their assessment. The learning organization eliminates structural obstacles of learning, creates enabling structures and takes care of assessing its learning and development. It invests in leadership to assist individuals in finding the purpose, in eliminating personal obstacles and in facilitating structures for personal learning and getting feedback and benefits from learning outcomes".

In his 2008 article Garvin defined Learning Organization whereby he emphasized on creation, acquisition and transfer of knowledge so that the company could adapt to the uncertain environment faster than the rivals.

2.2. Workplace Learning

No singular definition or integrated approach has been observed for workplace learning, Candy and Matthews(1998) observed that not only the definition but the terminology used is blur too. Thus, usually people across disciplines either use different terminology to express the same phenomenon, or use the same terminology when referring to some rather different concept. However, some definitions of workplace learning as stated by varied researchers are: Workplace learning refers to the processes and outcomes of learning that individual employees and groups of employees undertake under the auspices of a particular workplace. Another definition provided by Rylatt (1994) states workplace learning as a sustained and high leverage development of employees in line with organizational business outcomes. Boud and Garrick (1999) put forth that workplace learning has two purposes, first is to develop the enterprise by improving the effectiveness by enhancing production and innovation in the enterprise. The second purpose as highlighted is to develop the individuals comprising the workforce of the organization. This can be done by enhancing their knowledge, skills and capacity to learn.

Researchers also emphasize that workplace learning occurs through formal as well as informal channels within the organization.

This emphasizes that each workplace fosters learning either through focused efforts or unintentionally. Yet, some organizations are better at deriving the focused efforts of accentuating learning amongst employees and deriving the intended results out of the same. It also states that the organizations which rely completely on the informal learning of employees endanger the learning within the organization. Emphasis on augmenting learning through a structured process apart from the informal learning can be enormously valuable, by providing employees with the required skills and knowledge and time for reflection. Matthews (1999) states that 'As individuals and organizations begin to see the benefits of workplace learning activities, such as increased employee commitment, a more flexible and rapid response to global, environmental and technological change, and improved productivity and quality, they will become more committed to its use and evolve into learning organizations.' Workplace learning can thus further be segregated into individual, team and organizational learning.

2.3. Organizational Learning

When the concept of organizational learning is discussed, the first question that is posed is can organizations learn? Researchers like Kim (1993) and Simon (1991) propose that individuals are the roots of organizational learning, and it is merely the sum of the learning of individuals. There is another school of thought too. Levitt & March (1988), March (1991) put forth that the organization itself is the basis of organizational learning and it is a reflection of collective ideas, systems, processes and structures of the organization.

Simon (1991) argues that learning of an individual in an organization is dependent on the knowledge of the other individuals of the organization and also the learning gained through the organization's environment. He also indicated individual learning in an organization to be a social phenomenon. On the other hand, another point of view as stated by Hedberg (1981) [34] is that 'organizations have cognitive system and memories' and thus the organizational learning is a result of these systems and memories and can thus be indicated as living organisms. The learning thus has been indicated to be occurring at individuals', groups' and organizations' levels within the organization.

Group level learning is identified as the process of social interaction through which individual members of an organization exchange their knowledge into a synergistic knowledge that resides within the group. Groups' learning over a period of time is said to formulate the groups' culture.

The concept of organizational learning was established by Cyert and March (1963). "Organizational Learning: A theory of action perspective", in this work they introduced the concepts of single loop learning and double loop learning. Organizational learning is thus stated as the study of learning processes of and within an organization.

2.4. Learning Organization and Organizational Learning

Rebelo & Gomes (2008) emphasized that the concept of organizational learning and the learning organization highlighted the importance of learning in organizations. Rebelo & Gomes (2008) quoted that the emphasis on learning as a major source of competitiveness started in 1978 with the book 'Organizational learning: A theory of Action Perspective' by Argyris and Schon. Ortenblad (2004) while differentiating the two concepts state that Organizational Learning is a process while Learning Organization is a form of organization; organizational learning is descriptive in nature, exists naturally and is obtainable whereas learning is normative, needs activity and is a journey so it is unreachable. The group of target of the concepts has also been differentiated as organizational learning targets academicians; learning organization targets practitioners and consultants.

3. Methodology

For the data collection, a structured questionnaire was used. The respondents included the managerial level employees of banking industry in India. Total 450 questionnaires were distributed amongst the respondents via electronic as well as physical mode. Out of these 450 questionnaires 379 questionnaires were returned filled. 11 questionnaires out of these 379, were not filled completely and hence they were dropped. Total number of respondents is 368. The respondents were from different levels of Management of the Banks, namely Junior, Middle and Top Management.

3.1. Questionnaire

The instrument used for the present study uses the dimensions proposed by Watkins and Marsick (1993), Pedler et al. (1991) and Garvin (1994, 2008) as the base. To make the instrument contemporary, certain other aspects like knowledge management have been added so that the instrument could capture the wholesome of the aspects of learning organization.

The instrument comprises of total nine dimensions, namely, Learning Environment, Promote Inquiry and Dialogue, Collaboration and Team Learning, Knowledge Management, Empower people towards collective vision, Participative Policy Making, Reward Flexibility, Connect organization to the environment and Strategic Leadership.

The nine dimensions are divided into people's level and structural level learning. People level learning comprises of learning at individual and team level while structural level learning comprises of learning at organizational and global level. Amongst the nine dimensions learning environment, promoting inquiry and dialogue and employee empowerment indicate the individual level learning while collaboration and team learning indicate the team level learning. For the structural level, knowledge management, participative policy making and reward flexibility indicate organizational level learning while connection with the external environment and strategic leadership indicate learning at global level.

4. Results and Discussion

The mean scores and standard deviation as calculated for all nine dimensions is indicated in Table 1. The mean value indicates that the bottom two dimensions as indicated by mean value are, learning environment and employee empowerment. The table also indicates that connection with external environment has the highest score.

S.N.	Dimension	Mean	Std. Dev.
1	Learning Environment	3.06	0.52
2	Promoting Inquiry and Dialogue	3.45	0.59
3	Team Learning	3.45	0.68
4	Reward Flexibility	3.50	0.88
5	Participative Policy Making	3.46	0.83
6	Employee Empowerment	3.43	0.97
7	Knowledge Management	3.49	0.64
8	Strategic Leadership	3.52	0.60
9	Connection with External Environment	3.59	0.65

Table 1: Cross Tabulation of Descriptive Statistics for Dimensions

The difference in prevalent learning practices as experienced by employees on the basis of their Age Group, total work experience and experience with the current organization, was determined vide one way ANOVA and indicated in Table 5.

1. The age of the respondents varied from 23 to 59. The respondents were divided into three groups:

S.N.	Age Group	No. of respondents
1	20 to 29	128
2	30 to 44	186
3	45 to 60	54

Table 2

The relationship between Age Group as mentioned in the table above and the Learning at Individual Level and Team Level were determined.

- Age Group and learning at Individual Level: Table 5 indicates that there is no significant relationship between the Age group and learning at Individual Level.
- Age Group and learning at Team Level: Table 5 indicates that there is no significant relationship between the Age group and learning at Team Level.

2. The Total work experience (length of service) of the respondents varied from 1 year to 32 years. Thus, respondents were divided into three groups:

SN	Total Work Experience Groups	No. of respondents
1	0 to 10	262
2	11 to 20	60
3	21 and above	46

Table 3

The relationship between Total Work Experience as mentioned and the Learning at Individual Level and Team Level were determined:

- Total Work Experience and learning at Individual Level: Table 5 indicates that there is no significant relationship between the Total Work Experience and learning at Individual Level.
- Total Work Experience and learning at Team Level: Table 5 indicates that there exists a significant relationship between the Total Work Experience and learning at Team Level.

3. The Work experience (length of service) with the current organization of the respondents varied from 1 year to 32 years. Thus, respondents were divided into three groups:

SN	Work Experience with current organization	No. of respondents
1	0 to 10	330
2	11 to 20	22
3	21 and above	16

Table 4

The relationship between Work Experience with Current organization as mentioned and the Learning at Individual Level and Team Level were calculated:

- Total Work Experience with Current Organization and learning at Individual Level: Table 5 indicates that there is no significant relationship between the Total Work Experience and learning at Individual Level.
- Total Work Experience with Current Organization and learning at Team Level: Table 5 indicates that there exists a significant relationship between the Total Work Experience with Current Organization and learning at Team Level. (.043<.05 is significant)

	Sum of Squares	Df	Mean Square	F	Sig
IL-Age					
Between Groups	243.203	2	121.601	.239	.788
Within Groups	186074.265	365	509.793		
Total	186317.467	367			
TL-Age					
Between Groups	41.741	2	20.870	.547	.579
Within Groups	13914.248	365	38.121		
Total	13955.989	367			
IL-Total Work Exp					
Between Groups	475.863	2	237.932	.467	.627
Within Groups	185841.604	365	509.155		
Total	186317.467	367			
TL-Total Work Exp					
Between Groups	351.146	2	175.573	4.710	.010
Within Groups	13604.843	365	37.274		
Total	13955.989	367			
IL-Exp with Current Org					
Between Groups	2863.426	2	1431.713	2.849	.059
Within Groups	183454.041	365	502.614		
Total	186317.467	367			
TL-Exp with Current Org					
Between Groups	238.365	2	119.182	3.171	.043
Within Groups	13717.624	365	37.583		
Total	13955.989	367			

Table 5: One way ANOVA

5. Discussion and Conclusion

The results highlight that learning environment and employee empowerment are the least focused upon dimensions in the banking industry of India. Amongst all the dimensions learning environment is indicated as the dimension which is least engrossed. The dimension of learning environment comprised of experimentation, openness, help, and time for reflection as its components. This clearly showcases that the banks lag behind in promoting a culture wherein employees feel safe enough to experiment with newer ways of working or approaching a problem. It is also an indication that the culture of helping each other needs to be encouraged within the organization while emphasizing on giving employees the time to reflect on their actions taken and the outcome of those actions. It is the lack of presence of these components, which poses a threat to the development of banks as learning organization. This threat needs to be addressed by the banks at the earliest, so as to improve the stature of learning environment in Indian banking industry. Another dimension which needs to be addressed is employee empowerment. Although this aspect is not too far behind from other dimensions yet as per the results it fairs second from the bottom. The reason for lagging behind of this aspect could be that in India

employee empowerment is not only a people level dimension, but a structural level dimension also [44]. Hence, dedicated efforts of the organization are required to uplift the employees and ensure structures that promote employee empowerment.

The results also indicate that the dimensions of Individual level learning are independent of the demographic factors namely, age, total work-experience and experience with the current organization. Thus, individual level learning does not get affected by demographic factors like age, total work experience and experience with the current organization. This implies that the learning capabilities of employees not determined by their age and hence if the individuals are determined on keeping a track of the changing nature of work, newer ways of working they can easily adapt to the new trends.

It is also highlighted through results that learning at Team level is independent of the Age group of the employees. However, the total work experience and experience with the Current Organization bear a significant relationship with the learning at Team level. This signifies that age has no relation with learning at Individual and Team level.

However, the total length of service of an employee and length of service with the current Organization affects the learning at team level; the possible explanation could be that as the length of service with an organization increases the comfort level of an employee with the organization as well as peers, subordinates and seniors increase too. The results thus indicate the grey areas that need to be addressed by Indian banks to improvise their state of learning and also the contribution of demographics towards the same.

6. References

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