

**AN EMPIRICAL WORK, IS YOUR ORGANIZATION A LEARNING ORGANIZATION**

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**ABSTRACT**

Purpose

The purpose of this research is to explore the impact and importance of the learning organization in a medium sized production company which is turning into a learning organization. In this empirical work the focus remained on the four factors of the openness to the new idea in a learning organization.

Design/methodology/approach

The research comprised on extended questionnaires from the company's managerial employees. It was a validated questionnaire on the learning organization with a cross-section of 60 staff from the selected company.

Findings

However, from this research work, it is seen that the two factors of the openness to the new idea i.e.; the flexibility to the new idea and uniqueness of the new idea, must be focused to make your organization as a learning organization in Pakistan. So, for developing your complex and dynamic organizations into the most successful, flourishing, thriving and unbeaten then create openness to the new idea by focusing on the above two factors.

Practical implications

Learning organization involves change and change is always difficult. So this research paper will help out to the practitioners to raise their organization's performance by creating a learning environment.

Originality/value

As well as adding empirical data to the theory-dominated literature on learning organizations, this study contributes towards a better understanding of the importance of the uniqueness of the idea in a learning organization which will automatically start having the good performance.

### Key words

Learning organization, Openness to the new idea

## INTRODUCTION

Human beings learn till their death, no matter whatever they are learning at any stage of the life. A new-born baby learns from her mother laps and with the passage of time the baby robust into a mature human being by learning from the environment. So, it is always in a season for a man to learn. A mother learns from the environment and tells it to her child and her child learns from her. Both of them learn from each other and the socialized environment. As we people learn by learning together in this world. When this learning procedure happens in an organization then that organization become the world of the learning organization where every employee learn from each other and expose their ideas openly to their peers, seniors and colleagues, no matter who is in front of them; everyone is learning from each other in his own style. None of the candle loses its light while lightening another candle. So never stop sharing and helping others because it makes your life, world and organization (as a home) more beautiful. This complex corporate world would be more beautiful, successful and victorious if it will become the learning corporate world which means *the learning organizations*. Continuous improvement requires a commitment to learning. (Gravin, 2008)

The term "*learning organization*" origins in the year 1938, when for the very first time John Dewey talks about the concept of experiential learning as an ongoing cycle of an activity in an organization. John worked on this kind of experiential learning and wrote a book over in which he explained about the cyclical learning change which is needed by the organizations (Dewey, 1938). Then Scottish psychologists Kenneth Craik coined the term of "*mental models*" in 1940s, according to him mental model means to expose your ideas openly, from inward to the outward; this terminology used by Kenneth made its way to the information technology (Craik, 1940). At that time Marvin Minsky and Seymour Papert blended this term towards the technology. In 1946, Kurt Lewin proposed the idea that there is something which exists between a person's vision and sense of reality and that must be exposed in the organizations, which he termed it as *creative tension* (Lewin, 1946). In 1947, Macys Conferences organized by Margaret Mead, Gregory Bateson and Lawrence Kubie brought "systems thinking" to the awareness of a cross-disciplinary group of key intellectuals to the world (Margaret mead and Lawrence kubie, 1947).

In 1956, Jay Forrester started developing the concept of system dynamics (Forrester, 1961) then Ed Schein's researched on the brainwashing in Korea laid concrete on for the understanding of process consultation. In 1960, Douglas McGregor wrote a book on *The Human Side of Enterprise* was published, in which he talked about that perspective of the human side which should be exposed in the organizations for the success and development both for the organization as well as the employees (McGregor, 1960). In 1961, *Industrial Dynamics* by Jay Forrester was published. This first major application of system dynamics to corporations, described the turbulence of orders in a typical appliance value chain (Forrester, 1961). In 1964, MIT graduate students developed the "beer game" to illustrate Industrial Dynamics related to the system dynamics, one of the first simulations of systems (conveniently converting toasters to beer). However this molded the concept of system dynamics towards the technology and was misunderstood by the people, the original purpose was something else. In 1969, the *Urban Dynamics* written by Jay Forrester was published, in which he codified the concept of "Shifting the Burden" archetype which was the further explanation of the system dynamics (Forrester, 1969). In 1970, Chris Argyris and Donald Schön began their collaboration into "Action Science," the study of how espoused values clashed with the values that

underlined real actions, another step towards the system thinking. Period from 1971 to 1975, Erhard training seminars demonstrated the powerful attitude shifts that could come about, in a seminar lasting for the several days.

In 1972, *Limits to Growth* was written by Dennis Meadows (Donella Meadows) was published, he applied Forrester's systems dynamics to the "world problematique" for the Club of Rome, he got a triggered, a furious reaction from economists. In 1973, Don Michael worked over a book *Learning to Plan and Planning to Learn*, a book for policy makers that settled out the idea of organizational learning for the first time. In the very next year, Chris Argyris and Donald A. Schön moved a step ahead towards the practical work and wrote a book namely called as *Theory in Practice*. However, till that time all of the people worked over the system dynamics, what is system dynamics, need for the system dynamics, creative tensions (now-a-days named as personal mastery), mental models, need for the mental models, their practical need and their organizational implementations. Here the change start occurring in the world of learning organization in 1975, as in this year Charlie Kiefer, a Management change consultant; Forrester's student Peter Senge (Senge, 1994c) and "creative process" researcher/artist Robert Fritz designed the "*leadership and mastery*" seminar that became the focal point of their new consulting firm namely Innovation Associates. In 1982, Working at Procter & Gamble, and helping them follow up their famously secretive sociotechnical systems work, Forrester alumna and Innovation Associates consultant Jennifer Kemeny, along with Kiefer and Senge, developed the "systems archetypes", a technique for translating system dynamics complexities into relatively simple conversation-starters. Pierre Wack, scenario planner at Royal Dutch/Shell, spent a sabbatical at Harvard Business School and for the very first time wrote his article about scenario practice as a learning activity.

Then in 1984, Senge, Arie de Geus, Hanover Insurance's CEO namely Bill O'Brien, Analog Devices' CEO Ray Stata, and other executive leaders form a learning organization studied group and met regularly at information technology. In 1985, Chris Argyris, Robert Putnam and Diana McLain Smith, collectively wrote a book *Action Science*. (Argyris, Putnam, and Smith, 1985). During 1987, Drawing on this group's work, Senge and de Geus began working on a book together, brokered by Shell networker Napier Collyns, who introduced them to Doubleday editor Harriet Rubin. De Geus published his ideas in a key Harvard Business Review article, called "Planning as Learning," in which he concluded, "The greatest competitive advantage for any organization is its ability to learn." In 1988, Peter Schwartz, Stewart Brand, Napier Collyns, Jay Ogilvy, and Lawrence Wilkinson form the networked organization "Global Business Network", with a charter to foster organizational learning through scenario planning. In 1989, Senge and de Geus decided that they should develop separate books. Senge finished his manuscript, for a book ultimately titled *The Fifth Discipline*, (Senge, 1990) a few months after his second son was born. Oxford University management scholar Bill Isaacs, an associate of quantum physicist David Bohm, introduced Senge to Bohm and to the concept of dialogue as a process for building team capability. In the same year, Daniel Kim, IT researcher on the links between learning organization work and the quality movement, cofounded the "Systems Thinker newsletter", the first ongoing publication of "fifth discipline" - related issues with writer/editor Colleen Lannon-Kim. The parent organization, Pegasus Communications, launched an annual Systems Thinking in Action Conference the following year. In 1990, *The Fifth Discipline* (Senge, 1990) was published, drawing upon a large body of work including five disciplines of the learning which robust learning organization: system dynamics, personal mastery (based on Fritz' work), mental models (based on Wack's and Argyris' work), shared vision (drawing on the organizational change at Innovation Associates) and team learning (drawing on dialogue and David Bohm's concepts). During 1992, the popularity of the "learning organization" community was recognized when 350 people gathered for four days at a conference at Bretton Woods, New Hampshire. In 1993, Harvard University Professor David A. Garvin published an article in the Harvard Business Review on organizational learning, arguing that only learning that can be measured will be useful to managers (Gravin, 1993 and 2008).

David A. Gravin (Gravin, 2008) built learning organization on the three building blocks: *supportive learning organization environment, concrete learning environment and leadership that reinforce learning*. David (Gravin, 2008) gave different concept from the above pioneers of learning organization. The above ones talked about that what exactly the learning organization is but he worked over the building of the learning organization that how we will build our organization as a learning one. In 1994, *The Fifth Discipline Fieldbook* was published (Senge, 1990). Its authors included Peter Senge (Senge, 1994c) along

with longstanding learning organization consultants Charlotte Roberts, Rick Ross, and Bryan Smith, along with writer Art Kleiner, who became editorial director. The "Fieldbook" concept became a new management book genre.

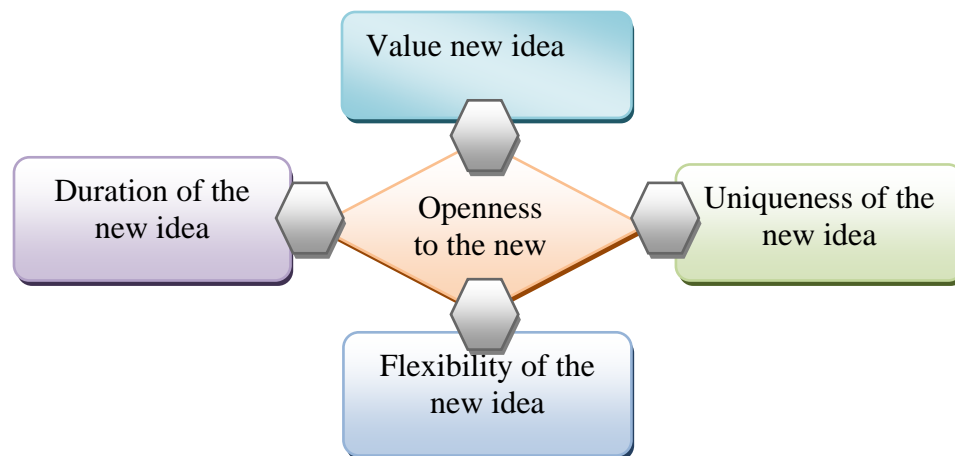
I am using the same tool given by David A. Gravin (Gravin, 2008) in his article because it clearly tells that at which level of the learning organization the organization is standing. Until and unless we don't know the level of the learning organization how can we make the changes in or organization to make it as a learning one. His tool really helps me out to determine the level and basics of the organization. I chose the third level of very first block from the tool kit namely: "Openness to the new ideas". I further elaborated those statements into the variables to work over it in Pakistani Corporate world. Section 2 is explaining different features of survey including objectives, hypothesis and methodology. While section 3 is a little bit explanation on the findings of the survey. It is also presenting the summary at the end.

## CONFINES AND METHODOLOGY

### 2.1. OBJECTIVES

The survey is conducted to apply and to check out the application of the learning organization in the corporate world in Pakistan that either it exists or not, if it exists then at which level; by utilizing the tool kit of David A. Gravin (Gravin, 2008). Tried to figure out the most important factor on the basis of which it can be identified that which factor is needed the most to become a learning organization relevant to the "openness to the new idea". It is explained in the following figure:

**Figure 1:** Four factors of the openness to the new idea are developed to identify that which one of them is the most important one to go one step ahead in making the corporate organizations the *learning organizations* by improving the openness to the new idea. (Openness to the new idea is directly impacting the learning organization and one of its one major components-David's tools (Gravin, 2008).)



### 2.2. HYPOTHESIS

Confronting the above stated variables and objectives into the verbalized statistical authenticated statements to check out the factors impact. These hypotheses are as follows which would be tested in the paper:

**H.1.:** Value new idea has a favorable effect on the learning organization.

**H.2.:** As long as the idea is new, it will have a null effect on the learning organization.

**H.3.:** Uniqueness of the new idea has a positive robust effect on the learning organization.

**H.4.:** If flexibility to the new idea is more in the organization then it will be the learning organization.

### 2.3. TARGET POPULATION

The survey (Appendix A) is conducted in Lahore, a civic city in Pakistan. The major part of the industries and business is covered in Lahore. From business point of view it has become most popular city in Pakistan. Investors heavily invest over here because most of the population is covered in this city. It's very good from commercial, banking, industrial, business, trading and corporate aspects. It is located in the east of Pakistan.

This study is focusing on the corporate sector of Lahore. However there are so many types of corporate but here in this research work only private limited (pvt) is focused. However, over here 60 persons are in the sample framework from a pvt limited organization named as DAWN group of companies owned by Mr. FIDA HUSSAIN located in Lahore segment of Pakistan.

### 2.4. SAMPLE COMPOSITION AND DESIGN

The survey is conducted on 60 employees as a sample from the selected organization to check it for the level of the 'openness to the new idea' as a learning organization. However, 54% of the managerial staff is selected as a sample frame from different departments of Lahore region. The review of the sample is as follows:

**Figure 2:** Explaining the Sample details to check selected organization as a learning organization.

Selected Organization's sample details (Lahore, Pakistan)				
Number of departments(selected)	6			
Name of the departments selected	HR, Finance, Sales, Marketing, Procurement and administration			
%age showing the sample from the population	54%{selected one staff/total managerial staff} [60/110]	Gender selected		Total sample: males and 54% of the population
		M:60	F*:0	
Demographics are under observation	yes	Names of the demographics		
		age, Gender, income, working experience and qualification		

Total:	Males, 54%, demographics considered.
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**F\*:** As there is no female hired in the selected organization as a managerial staff.

### 3. SURVEY FINDINGS AND EXPLANATION

The hypothesis in the section 2.2, are asking for a Factor analysis that which factor is really affecting the original variable of the learning organization. However, the variable *openness to the new idea* is affecting the learning organization (Gravin, 2008) which is now determined by the factors shown in Figure 1 that which factor is affecting the most (by factor analysis). Using SPSS 17.0 Version (SPSS, 17.0) for the calculation of the sample's factor collected by the survey:

**Figure 3:** Results of Factor Analysis:

**Table 3.1**

**Communalities**

	Initial	Extraction
valuenidea	1.000	.754
Descion	1.000	.574
uniqueidea	1.000	.712
Flexibility	1.000	.710

Extraction Method: Principal Component Analysis.

**Table 3.1:** The above table is showing the factors which were under observation and on whom the factor analysis is applied.

**Table3.2**

**Total Variance Explained**

Compon ent	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.743	43.583	43.583	1.743	43.583	43.583
2	1.007	25.175	68.758	1.007	25.175	68.758
3	.735	18.387	87.145			
4	.514	12.855	100.000			

Extraction Method: Principal Component Analysis.

**Table 3.2:** From the column of ‘percentage of variance’ we can clearly see that first component is affecting 43.583% on the actual variable (openness to the new idea) and the second component is affecting 25.175% on the actual variable and both of them are collectively affecting 68.75% to make the selected organization as a learning organization. So if we will raise this level up to a good extent then it will automatically make this organization as a learning means by improving openness to the new idea (from David’s article (Gravin, 2008)).

**Table 3.3**

**Component Matrix<sup>a</sup>**

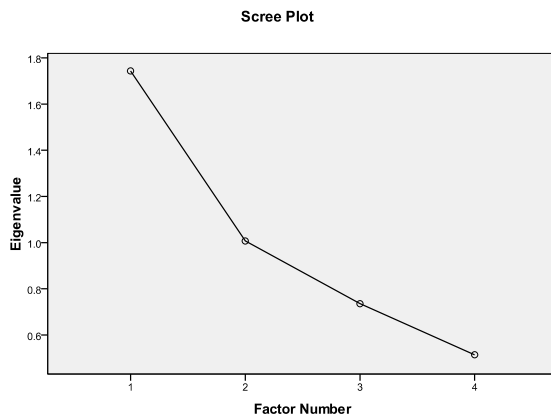
	Component	
	1	2
valuenidea	.665	.559
Descion	-.654	.382
uniqueidea	.485	-.691
Flexibility	.799	.267

Extraction Method: Principal Component Analysis.

a. 2 components extracted.

**Table 3.3:** These two most important components or factors can be observed from the above table. **1- Flexibility to the new idea** (0.79). If the organization is more flexible to the new idea the obviously it will be more open to the new idea which is directly making it as a learning organization. **2- Uniqueness of the new idea** (0.69). If the organization is offering more uniqueness to the new idea then obviously it will be more open to the new idea which is directly making it as a learning organization.

**Figure 4: Scree Plot:**



From the Scree plot, we can clearly see that component number 1 (*Flexibility to the new idea*) and 2 (*Uniqueness of the new idea*) are the most important ones in making an organization as a learning organization by applying it to the selected organization. So hypotheses number 4 and 3 are accepted at utmost because it is showing the most favorable condition.

### SUMMARY

Here are the survey findings in a nutshell:

**Table 4:** Survey findings

Hypothesis	Exposed findings	Survey Findings
<b>Openness to the new idea has a positive effect on the learning organization.</b>	Positive effect	From Factor Analysis (figure numbers 3 and 4) and David's tool.
<b>Value new idea has a favorable effect on the learning organization.</b>	No	No, not a strong effect. See the figure numbers 3 and 4.
<b>As long as the idea is new, it will have a null effect on the learning organization.</b>	No	No, not a strong effect. See the figure numbers 3 and 4.
<b>Uniqueness of the new idea has a positive robust effect on the learning organization.</b>	Yes	Yes, 2 <sup>nd</sup> most important factor, see the figure numbers 3 and 4.
<b>If flexibility to the new idea is more in the organization then it will be the learning organization.</b>	Yes	Yes, a very strong effect for this see the figure numbers 3 and 4.



However from the above findings, we can clearly see that the hypotheses number 3 and 4 are accepted in the prevailing condition in Lahore, Pakistan. If these hypotheses are applied anywhere in any other organization then by raising these two factors the organization will become the learning organization.

### **DISCUSSION**

A Learning organization always brings a change in the organization and gives the competitive advantage to the organization (Gravin, 2000). Then for turning your organization into a learning organization one of the most important factors is openness to the new idea because until and unless openness to the new idea is not there you cannot make your organization as a learning one (Gravin, 2008).

In the previous sections, a tool (Appendix A) was developed amended from David's basic variables of openness to the new idea (Gravin, 2008). The tool was utilized to collect the data from the described sample allocated. Then the results of the survey were analyzed by applying the statistical tools to test out the hypotheses. However through findings and summary the detail results are elaborated.

So from the previous sections, it is obvious that flexibility to the new idea and uniqueness of the new idea are the two important factors which are proven by applying the factor analysis to prioritize the most important factor for turning the organization into a learning one by introducing the openness to the new idea in the organization on the sample collected from the civic city of Pakistan i.e., Lahore.

Hence, from figure number 4 (Scree Plot) it is proved that H.3 and H.4 are at the top precedence and the other two hypotheses H.1 and H.2 are at the least priorities for building the organizations as the learning organizations.

### **CONCLUDING REMARKS**

Concluding, it must be said that we people learn by learning together and it is the motive of the learning organization and all the organizations must develop it as a vision and mission statement. However, from the above research work, it is obvious that until and unless especially the two factors: the flexibility to the new idea and uniqueness of the new idea are not being under consideration and all ears then till that time the openness to the new idea is exposed which will ultimately make the organization as a learning organization in Pakistan. So, for developing your complex and dynamic organizations into the most successful, flourishing, thriving and unbeaten then create openness to the new idea by focusing on the two factors.

APPENDIX

A: Survey used for this research work developed from David's tool kit's section-1

(Gravin, 2008)

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SURVEY

Topic: IS YOUR ORGANIZATION IS A LEARNING ORGANIZATION, IN THE CORPORATE WORLD?

(For the above titled research paper.)

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1-Name of the Organization:

2-Name: \_\_\_\_\_

3-Department: \_\_\_\_\_

4-Designation: \_\_\_\_\_

5- Gender:

Male

Female

6-Working Experience:

(1---5)(6---10)(11---15)(16---20)(21---25)

7- Age:

(20---30)(31---40)(41---50)(51---60)(61---70)

8-Income (Rupees in thousands):

(15---25)(26---35)(36---45)(46---55)(56---65)

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Q # 1.: I value new ideas in my organization?

Strongly agree    Agree    Satisfied    Disagree    Strongly Disagree

Q #2.: I promote and motivate the new ideas?

Strongly agree    Agree    Satisfied    Disagree    Strongly Disagree

Q # 3.: Do I implement the new ideas?

Strongly agree    Agree    Satisfied    Disagree    Strongly Disagree

Q # 4.: Is there any research department in my organization for formulating the new ideas?

Strongly agree    Agree    Satisfied    Disagree    Strongly Disagree

If you are involved in decision making then go for this section:

Q # 5.: after how much time either short-term I started giving importance to the new ideas?

Strongly agree    Agree    Satisfied    Disagree    Strongly Disagree

Q # 6.: I started giving importance to new ideas when it is launched?

Strongly agree    Agree    Satisfied    Disagree    Strongly Disagree

**Q #7.: After long-term period I start giving importance to the new ideas?**

Strongly agree    Agree    Satisfied    Disagree    Strongly Disagree

**Q # 8.: Do the employees of my organization really bother the new idea?**

Strongly agree    Agree    Satisfied    Disagree    Strongly Disagree

**Q # 9.: Do the new idea is rejected very quickly after implementation?**

Strongly agree    Agree    Satisfied    Disagree    Strongly Disagree

**Q # 10.: Do the new idea is rejected very quickly before implementation?**

Strongly agree    Agree    Satisfied    Disagree    Strongly Disagree

**Q # 11.: In my organization I am interested in representing the unique ideas?**

Strongly agree    Agree    Satisfied    Disagree    Strongly Disagree

**Q # 12.: In my organization I used to represent the unique ideas?**

Strongly agree    Agree    Satisfied    Disagree    Strongly Disagree

**Q # 13.: In my organization I always promote the unique ideas?**

Strongly agree    Agree    Satisfied    Disagree    Strongly Disagree

**Q # 14.: In my organization I hate unique ideas?**

Strongly agree    Agree    Satisfied    Disagree    Strongly Disagree

**Q # 15.: In my organization I resist the new ideas?**

Strongly agree    Agree    Satisfied    Disagree    Strongly Disagree

**Q # 16.: In my organization I show flexibility for the new idea?**

Strongly agree    Agree    Satisfied    Disagree    Strongly Disagree

**Q # 17.: My organizational employees' are flexible for the new idea?**

Strongly agree    Agree    Satisfied    Disagree    Strongly Disagree

**Q # 18.: In my organization my seniors show flexibility to the new idea?**

Strongly agree    Agree    Satisfied    Disagree    Strongly Disagree

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