AN ANALYSIS OF RELATIONSHIP BETWEEN THE LEARNING ORGANIZATION AND ORGANIZATION CULTURE IN INDIAN BUSINESS ORGANIZATION

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Abstract. To keep pace with the rapid changes in the environment, organizations must keep pace, otherwise they are likely to perish. They have to remain flexible and continually improve to gain competitive advantage and must be able to adapt and strive to take the lead, otherwise their survival will be at stake. To meet the challenges posed by this rapidly changing environment, an organization must create and assimilate new knowledge at an increasing pace, encourage innovation and learn to compete in new ways. The culture of the organization plays a very significant role in keeping the process of learning vibrant in the organization leading it to become a learning organization. The present paper identifies the relationship between the organization culture and the learning organization in Indian business organizations and concludes that the organization culture plays a vital role in the development of a learning organization. It further contends that three major constructs of organization culture, i.e., openness, proaction and experimentation tend to provide the members of an organization with a sense of direction and creative thinking which in turn enhance organizational learning in turbulent environment.

Key words: learning organization, organization culture, openness, proaction, experimentation.

Introduction

Organizations are operating in an environment of complexity and uncertainty where the only constant is change. The environment is characterized by changes in workforce competency, high customer expectation, greater competitive pressures, technological advancements and globalization. This has altered the world of work so dramatically that old “dinosaur-like” organizations are no longer able to respond to these changes. To handle these new challenges organizations must keep pace with this rapid change otherwise they are bound to die (Marquardt, 1996). They have to remain flexible and continually improve to gain competitive advantage and must be able to adapt and strive to take the lead otherwise their survival will be at stake. As coined by Peter Drucker we

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are in “The Knowledge Society” which places emphasis on knowledge, and organizations compete for knowledge workers. In this knowledge era, only those organizations which understand how to adapt themselves to change, how to strive to take the lead and who willingly learn and implement new ideas will triumph (Sun, 2003). The capacity for change and improvement is linked with learning. The word “learning” was coined in the 1980’s to describe organizations that experimented with new ways of conducting business in order to survive in turbulent, highly competitive markets. To obtain and sustain competitive advantage, organizations must enhance their learning capability and must be able to learn better and faster from their successes and failures, from within and from outside (Marquardt, 1996). Hence only if organizations increase their capacity to learn would they be able to avoid the fate of the dinosaur, which could not adapt to the changing environment. Therefore to meet the challenges posed by this rapidly changing environment, the organization must become more flexible, more responsive and more willing to change and adapt. They must create and assimilate new knowledge at an increasing pace, encourage innovation and learn to compete in new ways (Dess & Picken, 2000).

Harvey and Denton (1999) have identified certain triggers, which they have termed as antecedents, which have lead to the importance of learning in present times. These antecedents are: shift in importance of factors of production from land and capital to labor, especially intellectual labor; the accelerating pace of change in the business environment which calls for a change in the organizations’ strategic direction; knowledge as a source of competitive advantage; more demanding consumers; dissatisfaction with the existing management paradigm and its inability to cope with the changes that have already taken place as well as the changes expected in the future and the increasing intensity of competition. These six antecedents have necessitated the need to shift the focus on learning as a source of competitive advantage. Therefore it is necessary that the rate of learning should be greater or equal to the rate of change outside the organization (Garratt, 1988) in order for the organization to be able to survive the turbulence.

Organizations must have the potential to learn and the “commitment to learning” (Garvin, 1993) as an organization can transform itself only by learning something new. It is not sufficient for an organization in present times to continue doing what it did in the past as the knowledge, strategies, leadership, and the technologies of the past will not lead to success in the future. To gain competitive advantage, organizations should have the capacity to collect new information and transfer it into action faster than a competitor. At the same time it is not just sufficient for an organization to develop new products or improve existing ones but there has to be management innovation too (Stata, 1989). Management innovation, just like product and process innovation, depends on technology. Technology for management innovation comes in the form of knowledge, tools, methods and the ability to learn. “The rate at which individuals and organizations learn may become the only sustainable competitive advantage, especially in knowledge-intensive industries”. Hence the ability to adapt comes from the ability to learn (Ulrich et al., 1995). This has led to the popularity of “Learning Organizations”
in organizational literature. As per Jones and Hendry (2001) the term the “Learning Organization” seems to have been coined around 1988 by Hayes et al. in the USA and Pedlar et al. in the UK but the origin of the word in the literature can be traced back to the 1920s. The concept attracted much attention in the 1990’s when Peter Senge (1994) popularized this concept in his landmark book “The Fifth Discipline”. He describes learning organizations as places “where people continually expand their capacities 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 how to learn together”. Therefore the “Learning Organization” serves as a guiding vision which pictures an organization as a living organism with an open, powerful learning environment which inspires, facilitates and empowers the learning of its members so as to enhance its capacity for change, adaptability, improvement and competition (Sun, 2003). In this era knowledge has become a valuable asset and organizations place emphasis on people who have the desire to seek knowledge and the willingness to learn. Thus organizations encourage employees at all levels of the organization to express themselves, recognizing the fact that knowledge could be created at any level in an organization. Knowledge sharing becomes the primary focus so that the organization as a whole can take advantage and benefit from this knowledge. Organizations would then value people who are willing to explore and experiment with new ideas, encourage risk taking and support them in their pursuit of knowledge. “As knowledge becomes more central to competitiveness, the ability of individuals and organizations to learn becomes a primary means for winning” (Ulrich et al., 1995).

India as a developing economy

As the world’s largest democratic republic and the home to a substantial English-speaking population, India has positioned itself as a powerful tool for global economic growth. Currently it is believed to be performing below its potential but there are triggers in the environment which indicate the prospective growth of the nation in the future. These triggers include: a competitive business environment, a privatization agenda, a thriving services sector, and an increase in foreign direct investment.

As a result of India’s global expansion there are many advantages which are likely to follow in the form of more diverse services, cheaper manufactures, increased competition within Asia, and a new market for tourism, to name a few. There are likely to be both structural and political challenges in the future but it is believed that a stronger India will greatly influence the economies and political processes of such regions as Europe, East Asia, and North America.

One of the advantages with the Indian economy is the presence of low-cost, but relatively educated, workforce that could be utilized to achieve the future targets. With the addition of over 100 million new labourers in the workforce there would be an increase in workers’ savings and investments which would eventually add to a rise in productivity and efficiency in India’s manufacturing sector and perhaps most clearly in the services
sector. In that case, an increase in India’s labor force over the next several decades could be the main driver for attracting foreign investment. Those two variables combined could then have derivative effects on the world economy by enhancing India’s productivity, long-run macro-economic stability and international trade relations.

But there are a few issues that need to be addressed too. India’s economic structure has to be guided effectively. The Indian government as well as business enterprises will have to play a significant role in this regard. The focus will have to shift towards private enterprise, personal savings, a healthy business environment, and robust investment to achieving economic prosperity. In such a situation a major role will be enacted by the organizations which can create a learning environment that believes in knowledge creation and knowledge sharing and therefore become a learning organization.

**Literature review**

**Learning organizations**

Learning Organizations have been defined in literature from several viewpoints. Some authors define it from the perspective of a living organism, which is continuously learning and transforming itself. Pedler et al. (1991) have defined it as an organization, which is in a continuous process of transformation through the learning of all members within and outside the organization. Kim (1992) considers the learning organization as an organization that manages the learning of all its members through a process of knowledge acquisition and an inquiry orientation. Marquardt (1996) defines it as an organization, which by empowering people within and outside the organization, collectively learns and transforms itself to better collect, manage and use knowledge for corporate success.

Some authors define it from the perspective of building a culture and climate that supports learning. Baker and Camarata (1998) define it as an organization that has a climate that supports and encourages new knowledge acquisition and through it learning. From this perspective a learning organization is one that has a stimulating climate that supports learning and transformation.

Nonaka (1991) defines the learning organization from the perspective of knowledge creation. According to him knowledge creation takes place when tacit-knowledge is converted into explicit-knowledge, disseminated throughout the organization and results in innovation in the form of new products, services or systems. He suggests the use of “metaphor”, “analogy”, and “model” for the creation of new knowledge. Garvin (1993) defines it as an organization, which is not only skilled at creating, acquiring and transferring knowledge but modifies its behaviour to reflect this new knowledge and insight. New ideas are essential but they represent learning only when behaviour is modified to reflect these new ideas. There has to be a change in performance for learning to take place.

“Organizational learning occurs only when people who have the power to act” learn. (De Gues, 1988). Organizations are made up of individuals and it is through individual learning that organizational learning occurs, but it would be a mistake to conclude that
organizational learning is the sum total of individual learning (Hedberg, 1981 as cited in Fiol and Lyles, 1985). Individual learning is a necessary but not a sufficient condition for organizational learning.

An organization learns through its members but is independent of any specific individual, though not independent of a group. “Organizational learning occurs through the shared insights, knowledge and mental models of the members of the organization; and builds on past knowledge and experiences” (Marquardt, 1996) and is greater than the sum total of the parts of individual learning. Organizational learning has been studied in the literature from three levels (Crossan et al., 1995). Many researchers use the term organizational learning to describe individual level learning as the appropriate level of analysis. Simon considers organizational learning from an individual perspective as in his view the mechanism for learning resides within the individual. Senge (1990) and Garvin (1993) also are more inclined towards an individual perspective. Several theorists have recognized group learning asserting that knowledge generated by the individual does not come to bear on the organization independently and organizational learning would be incomplete if information were not shared and a common meaning developed. Huber (1991) considers organizational learning from an information processing perspective and involves knowledge acquisition, distribution, interpretation and organizational memory. Brown and Duguid (1991) consider learning as community based where learning occurs in communities-of-practice. From the organizational perspective theorists assert that organizational learning is not just a collective learning of individuals but a broader, more complex and dynamic concept to include systems, structures and procedures of the organization that affect learning (Fiol and Lyles, 1985).

Organizational culture

The concept of culture in organizations has been borrowed mostly from anthropology, although some sociologists have also been influential (Meek, 1988). In anthropology culture has been defined in many ways but it broadly refers to the behavioural patterns that differentiate one group or category of people from another (Hofstede, 1993). Though the concept had been developed earlier, organizational culture gained popularity with the article of Pettigrew (1979) and the 1980’s saw a resurgence of interest in organizational culture. In organizations, culture refers to the mix of symbol, language, ideology, belief, ritual and myth, which is unique to every organization (Pettigrew, 1979). Similarly, Meek (1988) identified that culture is made up of or includes symbols, myth, ideational system (ideology), and ritual. Trice and Beyer (1984) recognized that many authors have used different terminologies to conceptualize organizational culture, which has led to overlap and confusion. Each organization has its own distinct rites and ceremonials and hence a unique culture which drives the organization and its action and guides how the members think, act and feel. Organizational culture has also been expressed as a group’s operative communication rules (Schall, 1983). She
identifies that a group’s operative communication rules is a more accurate representation of culture than the formally sanctioned rules espoused by top management.

The culture of an organization influences every aspect of organizational life and behaviour as it affects the five basic processes of an organization: communication, cooperation, commitment, decision making, and implementation, but the members of the organization may not be aware of these shared assumptions that guide thought and action as they are taken for granted (Sathe, 1983, 1985). The pervasiveness of culture can be understood from two of its major elements: the strength of the culture that determines the efficiency of an organization and the content of culture that determines effectiveness because content determines the direction in which culture influences behaviour.

Considering these differing views, organizational culture has been defined in various ways in the literature. Deal and Kennedy (1982) have defined organizational culture as the way things are done in an organization and refer to both the formal and informal ways of getting things done. Schall (1983) has defined it as a symbolic system of values, beliefs and assumptions that are interdependent and relatively enduring, which evolve as members interact with one another and are imperfectly shared by organizational members. These values, beliefs and assumptions allow members to explain, coordinate, and evaluate behaviour and enable them to respond to stimuli encountered in the organizational context. Martin and Siehl (1983) consider organizational culture as the glue that holds together an organization through shared patterns of meaning. They identified three component systems: context or core values, forms or process of communication and strategies to reinforce content that is the rewards or training programs. Arogyaswamy and Byles (1987) have defined it as “the set of implicit, shared and transmittable understandings regarding the values and the ideologies, at a point in time, of any organization”. Denison (1990) has defined it as “underlying values, beliefs and principles that serve as a foundation for organization’s management system as well as the set of management practices and behaviours that both exemplify and reinforce these basic principles”. Schein (1992) defines organizational culture as “a pattern of basic assumptions- invented, discovered or developed by a given group as it learns to cope with its problems of external adaptation and internal integration”. According to Hofstede (1998) organizational culture refers to “collective programming of the mind which distinguishes the members of one organization from another”. This definition assumes that culture resides in the minds of all the organization’s members, not only in the minds of its managers or chief executives. Pareek (2004) defines culture as cumulative preferences for some state of life over others (values), predisposition towards several significant issues and phenomena (attitudes), organization’s ways of filling time (rituals), and ways of promoting desired behaviours and preventing undesirable ones (sanctions).

Organizational culture has an impact on the performance of an organization but there are differing views in the literature regarding the relationship between organizational culture and the performance of the organization. There are some authors (Kilmann, 1985,
Deal & Kenedy, 1982) who are of the view that there is a direct correlation between the organizational culture and performance. Culture of the organization can be manipulated by management so that a system of strongly-held, shared values and beliefs prevails in the organization and these values and norms are internalized by the members so that they identify with the organization and see their own interest as congruent with it. Schein (1985) takes a contingency view of organizational culture and suggest that culture is contingent upon the situation indicating that for a particular type of situation a particular kind of culture is appropriate and would contribute to efficiency. There is still another view, which suggests good organizational performance is dependent on cultures that are able to respond to changes in the environment. An organization operating in a relatively stable environment need not take risks and innovate but for an organization operating in a dynamic environment risk-taking and innovation is a must (Brown, 1995) Therefore the organizational culture in such organizations should be supportive of risk-taking and innovation.

**Link between the learning organization and organizational culture**

At present times when the environment is highly competitive, where markets and products proliferate rapidly, a strong culture which does not encourage innovation proves to be a disadvantage to a firm. The culture should be closely related to the environment so as to enable the organization to benefit from the changes and remain competitive. To make the transition to a learning organization, organizations require a culture that supports and facilitates this transformation. Learning organizations require a culture that supports and facilitates learning. Schien, (1996) considers three cultures to be present in every organization: the operator culture, the engineering culture and the executive culture. Each of these cultures share their own assumptions within themselves, have their own goals and speak a different language, which makes communication across these cultures difficult. If an organization attempts to reinvent itself and learn in a generative way then there has to be proper alignment among these three cultures otherwise the learning initiatives will be short lived. Organizations will not learn effectively until they recognize and confront the implications of the three occupational cultures. Through “dialogue” organizations can achieve mutual understanding among the three cultures and promote the value of trust, openness and communication to enhance learning. Learning thrives in a culture where open communication is valued and encouraged.

**The dimensions of the organization culture**

For the purpose of present study, following dimension of culture (Pareek, 2004) have been proposed and diagnosed in relation to the learning organization.

*Openness:* The extent to which organization remains open to the ideas and suggestions of the members and incorporates it as a part of organizational growth has been identified as the dimensions of openness. Paton and McCalman (2000) consider open
dialogue as a prerequisite to a learning culture. Besides, they consider openness to experiments and risk-taking as values that foster innovation and learning. Organizations need to create places where people can come together to hold a dialogue, convene with one another and share their ideas (Bechtold, 2000). This requires an environment of openness where people feel safe to express themselves. Garvin (1993) defines a culture that is open to criticisms as an environment that is receptive and where employees have the time to reflect and take in new ideas, are proactive and work together to identify problems and opportunities, encourage learning. Marquardt (1996) is also of the opinion that a culture that promotes open discussion and feedback, where mistakes are tolerated and people are encouraged to learn through mistakes is conducive to learning. Members should feel free to learn from one another and learners should be recognized and rewarded. The culture of the organization is then geared towards continuous improvement in quality and services and development of the human potential. Thus the following hypothesis is proposed:

**Hypothesis 1 (H1):** Organization culture’s dimension of openness will have a significant and positive relationship with the learning organization.

**Confrontation:** Confrontation is defined as the extent to which the organization permits its employees to have face to face interaction without the fear of being reprimanded or humiliated. It consists of facing rather than shying away from the problems. Most of the authors suggest that a “strong” culture, which is reflected by the widely shared and strongly held set of values and beliefs, is a predictor of organizational performance. A strong cohesive culture leads to reduction of internal ambiguity and hence managers can concentrate on getting the job done and focus on external things like competition and customer (Pascale, 1985). He considers organizational culture as a step by step socialization process and consistency across all the elements of the process results in a strong cohesive culture that fosters cooperation, integrity and communication. Therefore a strong culture is desirable as it empowers new employees to learn the ropes and the way things are done in the organization. Denison (1984) studied the impact of a “strong” culture that encourages the employees to confront the problems and makes them participate in the decision making process on organizational performance thereby resulting in the creation of a learning organization. Thus the following hypothesis is proposed:

**Hypothesis 2 (H2):** Organization culture’s dimension of confrontation will have a significant and positive relationship with the learning organization.

**Trust:** Trust is reflected in maintaining the confidentiality of information shared by others and not in misusing it. It is also reflected in an assurance that mutual commitments and obligations will be honoured. Philip and McKeown (2004) examined the relationship between organization’s culture and business transformation through a case study research of an engineering/aerospace company in the UK. They found that trust plays an important role in the culture change process and can be emphasized
through effective communication. The CEO stressed on keeping the community well informed and transforming the workers beliefs through training and development programmes so as to inculcate the value of trust in the culture. Information technology was also introduced so as to enable the organization to become competitive. This radical transformation of the organizational culture enabled the organization to transform itself from a bureaucratic loss making organization to a world class performer. Thus, the author highlights the important role an organizational culture which is based on reflective trust and innovative entrepreneurship plays in the transformation of the organization and making it a learning organization. Gupta (2007) proposes that the level of trust among members of the organization is a significant predictor of knowledge sharing which is the foundation of any learning organization. Therefore the following hypothesis is proposed:

**Hypothesis 3 (H3):** The dimension of trust of organization culture will have a significant and positive relationship with the learning organization.

**Authenticity:** Authenticity is the congruence between what one feels, says, and does. It is reflected in owning up one’s mistakes and in an unreserved sharing of feeling. Schall (1983) recognizes that a strong culture is not necessarily an effective or healthy culture as it requires internal consistency between task, relational and personal values, beliefs, and rules, as well as the ability to adapt to the demands of the external environment which includes groups within the organization and the lack of this consistency would lower the performance. Arogyaswamy and Byles (1987) examined the culture performance link from a contingency perspective. Their study suggests that the culture of the organization should be internally fit such that the values and ideology are cohesive and consistent and that the culture is unified or cohesive whole. At the same time the culture should also be aligned to the external environment. But whether an organization should have a tight internal bonding and close external linkage is contingent upon a number of factors like: strategy adopted, product/service offered, nature of environment, organization’s competitive advantage, the size of the organization or sub-unit, degree of interdependence. In case the bonding is strong, it gives impetus to the members to innovate and learn through transforming their organization into learning organization. Thus the following hypothesis is proposed:

**Hypothesis 4 (H4):** Organization culture’s dimension of authenticity will have a significant and positive relationship with the learning organization

**Proactivity:** Proactivity means taking initiatives, pre-planning, taking preventive actions, and calculating the pay-offs of an alternative course before taking action. Hurley and Hult (1998) focus their attention on organizational innovativeness as a way to enhance organizational learning and the firms’ ability to adapt to the external environment and gain competitive advantage as they define innovation as the implementation of new ideas, product or process. Al-Tameez (2004) explores and analyses the role of information systems/information technology in organizational learning in the context
of organizational culture and external environment in which the organization exists. Organizations can also enhance their learning through customers, suppliers, stakeholders etc. This requires a culture of openness and trust where external stakeholders are encouraged to share information about the markets, customers etc., so that the organization can benefit from this knowledge and stay competitive. Top management should support an environment where members are encouraged to discuss problems and issues openly and cultivate a culture of proactive participation in communication. Thus having an asset in itself does not ensure success but knowing how to use it strategically makes it a valuable resource which enhances organizational learning. Thus the following hypothesis is proposed:

**Hypothesis 5 (H5):** The learning organization will be significantly and positively related to the proactivity dimension of the organization culture.

**Autonomy:** Autonomy is using and giving freedom to plan and act in one’s own sphere. It means respecting and encouraging individual and role autonomy. A study by Philip and McKeown (2004) examined that by giving autonomy to the members of the organization it could be transformed from being a government-owned bureaucratic and loss-making one to a world class performer. The company in the study was characterized by a culture which relied on rules and regulations and there was little incentive to perform well. The labor union dominated the organization and there was a clash between the union and the management. The culture was a dysfunctional one which was hindering the progress of the company and it was performing poorly and was making losses. Then the company was privatized and a new CEO was appointed who transformed the company to a world class performer with a culture that promoted teamwork, encouraged innovation and entrepreneurship by giving significant autonomy to individual managers and transforming it into a learning organization. Thus the following hypothesis is proposed:

**Hypothesis 6 (H6):** The learning organization will be significantly and positively related to the autonomy dimension of the organization culture.

**Collaboration:** Collaboration is giving help to, and asking for help from others. It means working together to solve problems and develop a team spirit. Through a case study research of the Internal Medicine and Cardiac Surgery ward of a university affiliated hospital, the authors Lipshitz and Popper (2000) demonstrated how the culture of the respective wards had an impact on organizational learning. The internal medicine ward had a democratic atmosphere characterized by dedication, openness and caring, and organizational commitment. People felt free to inquire and ask questions. Despite the work load people were dedicated to their work. Even though the ward didn’t have any kind of physical arrangement to detect and correct members’ mistakes, they still achieved high levels of organizational learning due to the collaborative culture of the ward. People were highly enthusiastic and eager to learn. Hurley and Hult (1998) developed a model to suggest that certain structural and process characteristics affect the
organizations innovativeness. Among the cultural characteristics they emphasized on market focus, learning and development, participative decision making, support and collaboration, and power sharing. Thus the following hypothesis is proposed:

**Hypothesis 7 (H7):** The organization culture’s dimension of collaboration will have a significant and positive relationship with the learning organization

**Experimentation:** It means using and encouraging innovative approaches to solve problems, using feedback for improvement, taking a fresh look at things. The challenge for organizations in this present environment is to create contexts in which members continually learn and experiment, are innovative and strive for the creation of new ideas and new products, as it is not sufficient for organizations to respond, adapt and cope with the pressures of change (Barrett, 1995). This calls for a different kind of learning, one that goes beyond adapting to challenges and solving problems and instead focuses on imagining possibilities, on generating new ways of looking at the world. This is appreciative learning and an appreciative learning culture nurtures innovative thinking by fostering an affirmative focus, expansive thinking, a generative sense of meaning and creating collaborative systems. In this era when knowledge is highly valued, competitive advantage comes from creating new knowledge and using it effectively to adapt to change (Hatten & Rosenthal, 2002). Experiments are catalyst for creating new knowledge and learning and organizational members should be encouraged to conduct experiments no matter what the outcome. McGill et al. (1992) agree with the view that experiments hold an important place in learning organizations. Thus the following hypothesis is proposed:

**Hypothesis 8 (H8):** The organization culture’s dimension of experimentation will have a significant and positive relationship with the learning organization

**Conceptual framework**

The objective of the study is to identify the relationship between the learning organization and the organization culture in Indian Business Organizations. The expected linkage between the dimensions of organizational culture and learning organization are presented in Figure 1. In this theoretical framework the dimensions of organizational culture are the independent variables and the learning organization is the dependent variable. The model proposes to suggest that for a learning organization to evolve and prosper, an effective organization culture needs to be promoted in business organizations.

**Research methodology**

After laying down the theoretical framework, the next phase of study is to identify the relationship empirically. To meet this objective, an empirical study of various business organizations in India was undertaken. The present study proposes to understand the relationship between the learning organization and the dimensions of organizational
culture and further investigate its impact on learning organizations. The learning organization was studied as the outcome variable, which is influenced by dimensions of organizational culture.

This section discusses the research design, research population and sample, techniques of data collection, tools used and statistical techniques used for data analysis.

Methods

Research design

A correlational design was used to seek information related to the study research hypothesis and question, utilizing a survey instrument. A survey is an appropriate method of collecting data for descriptive or exploratory studies. It can be used in studies in which individuals are the unit of analysis, and it is also considered best suited for measuring attitudes and obtaining personal and social facts, as well as beliefs (Rossie & Freeman, 1993, Kerlinger, 1986). This type of study, which yields a “snap-shot” of data from a population at a specific point in time, was used in an attempt to validate a set of predictor variables and offer clues towards inferences regarding presumed causal outcomes of the learning organization construct.

Research population and sample

A population is considered to be any group of people, events, or things that are of interest to the researchers and that they wish to investigate (Sekaran, 2000). A sample is a subset of the population in question and consists of a selection of members from the particular population (Sekaran, 2000). Sampling is described as the selection of a proportion of the total number of units of interest for the ultimate reason of being able to draw general conclusions about the total number of units (Parasuraman, 1986).
According to Leedy (1993), convenience sampling is where the sample is chosen according to its availability to the researcher. For the purposes of this research convenience sampling was utilized. This type of sampling technique can, however, present various problems in research as it makes no pretence at being representative of the population as a whole. Hussey and Hussey (1997) stress that bias may occur if samples are chosen deliberately by an individual as this may lead to favouritism. In terms of possible problems or constraints experienced during the sampling process of this research, the main constraint was that the sampling process was subject to being chosen by the organization and availability.

The sample of this study is employees who were selected to participate based on their managerial position. The sample consisted of managers from different departments of the different business organizations from in and around Delhi. The sampling technique employed in the study is convenience based non-probability sampling. According to Churchill (1979), this type of sampling can be adopted when the emphasis is on exploratory research.

Technique of data collection

A total of 400 questionnaires were distributed to managers working in different organizations. The kind of organizations chosen for the study included private banks, IT companies and telecommunication firms from in and around national capital of India, Delhi. A total of 283 correctly completed questionnaires were returned by the target respondents giving a response rate of 70.75%.

To ensure a high response rate, care was taken to personally administer as many questionnaires as possible, further constant follow-up was done and patience was maintained all throughout to ensure that the respondents filled in the questionnaires. Data was collected through self-administered questionnaires and in order to ensure highest possible response rate. However, in some cases the questionnaires were sent through mail or email. The concerned person was contacted before sending the questionnaires through email or post. As the questionnaire was self explanatory, the respondents were asked to fill out the questionnaire as per the instruction in the questionnaire. Several attempts were made to encourage participation among the sample population. To reduce the bias and get frank responses from the respondents, the following precautions were taken:

- The respondents were apprised about the purpose of the study;
- An attempt was made to include people from all departments in the managerial level;
- The respondents were also assured about the confidentiality of the information and were asked not to mention their names.

In case of any doubts they were asked to contact the researcher.

Tools used

There were two sections in the questionnaire. The first section focused on the learning organization (dependent variable) and consisted of 25 items. The Learning Organization
Profile developed by Marquadt (1996) was used for the purpose of measuring the variable of the learning Organization. The original scale consisted of 50 items and assessed 5 dimensions. A pilot survey was conducted and the final standardized scale for the present study consisted of 25 items assessing 5 dimensions. The five dimensions were:

1) Learning Dynamics: the items focused on whether the organization encouraged learning at the individual, group/team or organizational level.
2) Organization Transformation: the items in this category related to the vision, culture, strategy and structure of the organization subsystem.
3) People Empowerment: the items focused on creating a workforce qualified and proficient for organizational learning.
4) Knowledge Management: the items related to how knowledge is acquired, created, stored and transferred so that it can be utilized and applied to enhance learning.
5) Technology Application: the items in this category include the supporting, integrated technological networks and information tools that allow access to and exchange of information and learning.

The scales used in the questionnaire included the Likert Scale. The Likert scale used a rating of 1 to 4, where 1 indicates ‘Does not apply’ and 4 indicates ‘Applies to a Great Extent’. The reliability statistics Cronbach Alpha was calculated to be 0.73 for the items.

The second section focused on organizational culture and was measured using OCTAPACE developed by Pareek (1973). Udai Pareek suggests seven organizational values, openness, confrontation, trust, authenticity, proaction, autonomy and collaboration as the core values for organization development. The initial instrument was used extensively in OD and HRD and another value was added, that of experimentation. In addition to being an acronym for the values, OCTAPACE is a meaningful term indicating eight (octa) steps (pace) to create functional ethos. The scale consisted of 40 items. The Cronbach Alpha for the items was found to be 0.79. The items 1 to 24 were scored on a four-point scale according to the following response category: 1 – Not valued in the organization; 2 – Given rather low value in the organization; 3 – Valued in the organization and 4 – Very highly valued in the organization. Items 25 to 40 were scored on a four-point scale according to the following response category: 1 – Few or no people in this organization share this belief; 2 – Only some people in this organization share this belief; 3 – This belief is fairly well shared in the organization and 4 – This belief is well shared in this organization.

**Analysis of the data**

The data was subjected to statistical analysis for the purpose of interpretation. Descriptive statistics such as mean, standard deviation and intercorrelations were computed to understand the interdependence between the variables. Multiple regression analysis was used to test the hypotheses.

During the process of data collection, it was observed that there was reluctance on the part of respondents in giving the responses for the fear of being quoted and identi-
fied. Since the study was based on self reported data and so the findings may be biased by common method variance and spurious cause/effect inferences. The generalizations occurring from this study are more conducive and limited to particular group of employees who have been included in the study. In other words, limitations come from the sampling technique used, which is non probability based convenience sampling.

Results

Profile of the respondents

The total sample size was 283. The group comprised 94 (33 percent) females and 189 (67 percent) males. In the group there were 28% of respondents in the age group of 21–25 years. 36% of the respondents were in the 26–30 years age category and 31% were in 31–35 years of age. The rest of the respondents were more than 36 years of age. 51% of the respondents were married. While drawing the experience profile of the respondents it was seen that 78% of them had an experience of 5–15 years, followed by 17% with an experience of less than 5 years. 5% were found to have an experience of 15–25 years.

Relationship between the variables

The correlation matrix in Table 1 shows the correlation coefficient between the independent variables as identified for the research.

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<th>Variables</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Openness</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Confrontation</td>
<td>0.746*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust</td>
<td>0.531*</td>
<td>0.528*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authenticity</td>
<td>0.388*</td>
<td>0.453*</td>
<td>0.422*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proaction</td>
<td>0.645*</td>
<td>0.676*</td>
<td>0.520*</td>
<td>0.494*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Autonomy</td>
<td>0.135*</td>
<td>0.130*</td>
<td>0.120*</td>
<td>0.134*</td>
<td>0.114*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collaboration</td>
<td>0.622*</td>
<td>0.555*</td>
<td>0.501*</td>
<td>0.351*</td>
<td>0.553*</td>
<td>0.267*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Experimentation</td>
<td>0.668*</td>
<td>0.620*</td>
<td>0.521*</td>
<td>0.270*</td>
<td>0.612*</td>
<td>0.216*</td>
<td>0.562*</td>
<td></td>
</tr>
<tr>
<td>Learning Organization</td>
<td>0.655*</td>
<td>0.604*</td>
<td>0.453*</td>
<td>0.346*</td>
<td>0.671*</td>
<td>0.118</td>
<td>0.473*</td>
<td>0.571*</td>
</tr>
</tbody>
</table>

** Significant at 0.01 level, * Significant at 0.05 level

A correlation coefficient indicates the strength of the association between the variables. A correlation coefficient is considered significant if the p-value is less than 0.05. As shown in Table 1, in the business organization in India all the dimensions of organizational culture like openness, confrontation, trust, authenticity, proaction, autonomy, collaboration and experimentation have a significant positive correlation with learning.
organization. From the Table it is observed that proaction has the highest correlation followed by openness indicating that both have strong association with the learning organization. The next highest is confrontation followed by experimentation. The variables of collaboration and trust have positive correlation but slightly on the lower side. Autonomy has the least correlation with the learning organization, though it is positive. The above findings help us to conclude that the employees in Indian organizations perceived that the existence of an effective and suitable organization culture in the organization will be favourable for the existence of learning organizations.

**Multiple regression analysis**

To gain an insight into the relationships further between the independent and dependent variables and to identify the predictive relationships between the two sets of variables, if any, multiple regression analysis was done.

From the correlation tables it can be seen that there are many significant linear correlations between the learning organization and the constructs of organization culture. Multiple regression analysis was used to diagnose the relationship between a single dependent variable (criterion) and a number of independent variables (predictors). A set of independent variables is weighted to develop the regression equation or model to explain its relative contribution towards one dependent variable. The dimensions of organization culture were entered in the model as independent variables, while the learning organization was the dependent variable. The results are depicted in Table 2.

**TABLE 2: Results of the regression analysis**

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Beta</th>
<th>t</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Openness</td>
<td>1.173</td>
<td>5.501</td>
<td>0.000**</td>
</tr>
<tr>
<td>Confrontation</td>
<td>0.077</td>
<td>0.986</td>
<td>0.325</td>
</tr>
<tr>
<td>Trust</td>
<td>-0.093</td>
<td>-1.510</td>
<td>0.132</td>
</tr>
<tr>
<td>Authenticity</td>
<td>-0.118</td>
<td>-2.200</td>
<td>0.029*</td>
</tr>
<tr>
<td>Proaction</td>
<td>1.829</td>
<td>6.956</td>
<td>0.000**</td>
</tr>
<tr>
<td>Autonomy</td>
<td>-0.118</td>
<td>-2.621</td>
<td>0.009**</td>
</tr>
<tr>
<td>Collaboration</td>
<td>-0.143</td>
<td>-2.157</td>
<td>0.032*</td>
</tr>
<tr>
<td>Experimentation</td>
<td>0.640</td>
<td>1.988</td>
<td>0.048*</td>
</tr>
</tbody>
</table>

R Square = 0.541, Adjusted R² = 0.536, F – Change = 50.936 (.000), Durbin Watson – 1.660
Significant correlation = *p<0.05 (two-tailed); **p<0.01 (two tailed)

Table 2 reveals the result of regression analysis. Independent variables explained 54.1 % of the variance in learning organization (F Change = 50.936, p<0.05). The result indicates that there are three dimensions of organization culture, namely, openness (â = 1.173, p<0.01), proaction (â = 1.829, p<0.01) and experimentation (â = 0.640,
p<0.05) which are positively associated with the learning organization. It can be therefore proposed that these three dimensions of organization culture are directly responsible for creating and maintaining learning environment in organizations. Moreover, it can also be concluded from the findings that openness and proaction in the culture of the organization are the most important variables that explain the variance in learning organization and were significant at the 0.000 (p<0.01) levels. Thus hypotheses H1 and H5 were supported. Another variable experimentation is also contributing positively to the creation of learning organization, thereby supporting the hypothesis (H 8).

However, the dimensions of authenticity (â = -0.118, p<0.05), autonomy (â = -0.118, p<0.01) and collaboration (â = -0.143, p<0.05) though are significant but are not contributing positively to the learning organization. Therefore, hypotheses H4, H5 and H7 are rejected. The other dimensions of the organization culture, namely confrontation (â = 0.077, p>0.05) and trust (â = -0.093, p>0.05) are not significantly related to the learning organization. Though these dimensions are an essential requirement of the culture but the contribution made by them to the learning organization is not direct. Thus hypotheses H2 and H3 are rejected as their significance level is > 0.05.

Discussion

In this era knowledge has become a valuable asset and organizations place emphasis on people who have the desire to seek knowledge and the willingness to learn. Thus leaders in organizations encourage employees at all levels of the organization to express themselves, recognizing the fact that knowledge could be created at any level in an organization. Knowledge sharing becomes the primary focus so that the organization as a whole can take advantage and benefit from this knowledge. Organizations would then value people who are willing to explore and experiment with new ideas, encourage risk taking and support them in their pursuit of knowledge. "As knowledge becomes more central to competitiveness, the ability of individuals and organizations to learn becomes a primary means for winning" (Ulrich et al., 1995). The ability to learn occurs only when new knowledge gets translated into new ways of doing work. Those who make the shift from traditional organization thinking to the learning organization develop the ability to think critically and creatively. Creating an environment that emphasizes and supports learning becomes the most important task of managers in such an organization.

The present study was designed to gain an insight into the relationship between the learning organization and the dimensions of organization culture. It has been proposed in the study that transformation into the learning organization requires to meet the present environmental challenges, and organizational culture has relationship with the development of learning organizations. The results of the study indicate that openness is one of the most important constructs of the organization culture and it has a strong association with the learning organization. It therefore suggests that open culture of the organization can help the organizations to evolve into learning organizations. This is supported by the findings of Lipshitz and Popper (2000) wherein
they demonstrated the importance of openness in the culture of the organization to enhance learning. The internal medicine ward of the hospital that they studied showed high levels of organizational learning as a result of an environment of openness where the doctors and nurses felt free to inquire and ask questions. Further, this is also similar to the findings of Maria and Watkins (2003) who suggest that an understanding of and support for change can be achieved through a culture which values openness and where members feel safe and encouraged to engage in continuous learning. Further it has been proposed by Moraga (2006) that in learning organization leaders must promote an open environment to build a common understanding of what is expected to be learnt. The finding also gets a support from a study by Gupta (2007) in which openness was found to be a significant predictor of knowledge sharing leading to the development of the learning organization.

The study also indicates the importance of proaction for predicting the learning organization. Proactiveness means taking initiatives, pre-planning, taking preventive actions, and calculating the pay-offs of an alternative course before taking action. Learning is a continuous activity and a culture which emphasizes on proaction encourages continuous learning among organizational members as they are constantly seeking learning opportunities. An organization benefits from individual learning only when this learning gets translated to organizational learning. Proactiveness enhances continuous learning as employees are innovative not due to a trigger in the environment but because of the willingness to take the lead and stay ahead of competitors. Companies like 3M, Sony and Mitsubishi remain competitive and take the lead as they emphasize on being proactive. When a product has been introduced they simultaneously set the “sunset” date at which they will deliberately abandon the same product. This immediately triggers work on developing a replacement offering (Kiernan, 1993) and is an indicator of a continuous learning model followed by the organization. Garvin (1993) also suggests that a culture that is open to criticisms and where employees have the time to reflect and take in new ideas, are proactive and work together to identify problems and opportunities, encourages learning thereby leading to the creation of a learning organization.

Besides these, experimentation also contributes in predicting learning organizations. The challenge for organizations in this present environment is to create contexts in which members continually learn and experiment, are innovative and strive for the creation of new ideas and new products, as it is not sufficient for organizations to respond, adapt and cope with the pressures of change (Barrett, 1995). Hatten and Rosenthal (2002) have proposed that in this era when knowledge is highly valued, competitive advantage comes from creating new knowledge and using it effectively to adapt to change. Experiments are catalyst for creating new knowledge and learning and organizational members should be encouraged to conduct experiments no matter what the outcome. It has been further supported by McGill et al. (1992), who agree with the view that experiments hold an important place in learning organizations. Hurly and Hult (1998) also suggest that the culture of an organization which encourages experimentation influences organizations ability to respond/adapt to the environment and
hence organizational learning capabilities as it influences the organization’s innovativeness and the capacity to innovate.

Moraga (2006) proposes that organizational inquiry or experimentation is essential first, to correct a mistake by modifying action and second, to question and challenge the values, action strategies and assumptions embedded in individuals and organizations. The members must be allowed to propose new initiatives and solution in every work process stage and organization echelon, and putting them into practice, allowing experimentation (Nyhan, et al., 2004). Gupta (2007) found experimentation to be a significant predictor of knowledge acquisition thereby leading the organization to become a learning organization.

However, it was observed in the study that autonomy, collaboration and authenticity have a negative relationship with the learning organization. This is quite contrary to the findings of studies which have stated the importance of autonomy as cultural trait that enhances learning (Delong & Fahey, 2000; Harper & Utley, 2001). However, in high collectivist and power distance cultures, such as India, leaders use more directive forms of influence hence obtaining the compliance of the followers. Since leaders use the directive forms of influence, the organizational members were rejecting autonomy as they were accustomed to following instructions. Therefore, even when autonomy was provided to them, they preferred being ordered and given direction. Hence autonomy contributed negatively to predict learning organizations. Unless the organizational members feel safe to honestly discuss their mistakes, and what they think and how they feel, they will not be willing to learn. As a result authenticity has a negative relationship with the learning organization. Members are willing to share their learning and knowledge when they perceive an environment of trust. A culture which encourages open inquiry facilitates learning as organizational members feel free to ask questions and make mistakes and learn from them. As the relationship between trust and the learning organization is also weak in the present study, that can be accounted for by negative relationship with authenticity. The construct of collaboration also has a negative relationship with the learning organization which is quite contrary to the findings of Lipshitz and Popper (2000) who demonstrated how the culture of the respective wards had an impact on organizational learning. The internal medicine ward had a democratic and collaborative atmosphere characterized by dedication, openness and caring, and organizational commitment. Even though the ward didn’t have any kind of physical arrangement to detect and correct members’ mistakes, they still achieved high levels of organizational learning due to the collaborative culture of the ward.

The presence of negative relationship between collaboration and the learning organization can be understood with the help of findings of Moraga (2006) where it is suggested that collaboration should be genuine in the learning organization. The simulation of collaboration is a barrier to learning as it creates frustration and reluctance in people, blocking the wish to be an active part in the organization. In another study by
Gupta (2007) collaboration was found to be a significant predictor of knowledge sharing leading to the evolution of the learning organization. For authentic collaboration there has to be continuous access and exchange of information amongst the members of the organization. The systems in the organization must assist the flow of both tacit and explicit knowledge inside the organization (Jenson, 2005). In the absence of these conditions organizations cease to be learning organizations.

Besides, these two dimensions of the organization culture, namely confrontation and trust, were not found to be related to the dimension of the learning organization. With respect to confrontation the finding is quite contrary to the findings of Dixon (2002) in which it is proposed that learning organizations make new intellectual demands on managers. Managers are required to confront the problems and use their skills of analysis, interpretation and synthesis to help the organization learn its way out of the problem that it is facing in this time of rapid change. The absence of this relationship is a symptom of inability of Indian managers to confront the situation and find relevant and appropriate solutions. Trust has been identified as a key value for the learning organization, focusing on promoting freedom of action and process designs at work as well as the control of outcomes (Handy, 1993; Argyris & Schon, 1996). The absence of significant interactive relationship between trust and the learning organization may be an indicator of lower degree of interpersonal trust amongst employees which may result in reduced information and knowledge sharing causing a block to the development of the learning organization. Gupta (2007) indicated in her findings that trust is a very important element in contributing towards knowledge sharing, which is quite contrary to the findings of the present study.

With respect to the model proposed the result of the present study can be depicted as follows (Figure 2):

![Diagram](https://via.placeholder.com/150)

FIGURE 2. Results of relationship identified between Organization culture and Learning Organization
Overall, the study provides enough evidence to prove that the departure from traditional organizations which relied on rules and regulations to learning organizations which encourages its employees to think out of the box requires an open, proactive and experimental culture which brings out the best in the individuals.

Concluding comments

This study reports an investigation of the relationship between dimensions of organizational culture and learning organization in Indian business organizations. In the present study organizational culture was identified and studied as the important variable that influences the development of the learning organization. To transform to the learning organization requires an open culture along with a focus on proaction and experimentation.

Learning organizations have gained importance and have been identified as the strategy for survival and growth in this global economy. India as a developing economy is facing tough global competition, hence the need for transforming to learning organization. From the study it can be interpreted that only three dimensions of organization culture, namely openness, proaction and experimentation, emerged as significant in terms of their relationship with the learning organization. Building and maintaining a learning organization requires a generative and adaptive organization culture which promotes learning. Here it can be observed that organization culture in the selected organizations was not facilitating enough for the development of the learning organization. Leaders in the organizations have to promote a transformational culture which is flexible and adaptive and conducive to ongoing change. Given the environmental conditions in organizations today in a developing economy like India, it is critical that the leaders and their employees continuously seek learning experiences and share the information in an atmosphere where employees work together to attain improved performance.

The current study would enable the future researchers and practitioners to:

- gain an understanding of learning organizations;
- identify whether the culture in their organization is conducive to learning and promotes a culture where employees feel free to learn and experiment with new ideas;
- will also help the leaders and members of an organization to identify and promote a learning environment, and develop the skills necessary to promote the development of learning organization.

Research on learning organization has been going on in the last few years and this concept has attracted considerable attention in the organizational literature. The study would add to the existing literature on the learning organization as:

- it develops an understanding and appreciation of the learning organization
- it helps to identify the cultural environment that facilitates learning

Therefore, in this direction this study would make a significant contribution to the theory of the learning organization.
References


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