ABSTRACT

The research study titled: Learning Organization as a Strategy for enabling business efficacy with reference to manufacturing & service sector companies in Pune Region (A Re-engineered model of learning Organization Concept which is business and industry agnostic) focuses on real time business problems that organizations in various industries are facing and how by being an learning organization they can solve the business problems systematically and achieve the business goals.

Business Organizations today are grappling with multiple challenges such as agile work environment, rapid change in technology, diverse workforce, globalization, neck deep competition and last but not the least, talent management.

Learning Organization Framework (LO) is a strategic tool which the organizations can leverage to achieve business goals such as revenue growth and sustainable profit, competitive advantage, brand image and customer delight. Organizations can become successful by adopting the LO disciplines.

The research study has taken two industries in the scope for study namely manufacturing and services.

Keywords: Learning Organization, Business Efficacy, Business Results and outcomes, profitability, competitive advantage, sustainable growth, organizational branding, mental models, systems thinking, shared vision, personal mastery, team learning, Manufacturing and Services industry.

Introduction:
The world is moving at a fast speed and we have a global environment to deal with today. Industry boundaries are collapsing. The regulated businesses are becoming deregulated. New Business models are being followed. If the rate of learning isn’t greater than the rate of change happening in the surrounding, organizations will be falling behind.

The learning ecosystem in the organization has to be redesigned which will enable the learning culture.
Globalization demands change, awareness, continuous learning, unlearning and agility. Organization’s strength is its talent, culture and systems that are built proactively to address scalability.

The challenges can be resolved strategically & tactfully by adopting the Learning Organization as a tool and making it the DNA of the organization. Unfortunately organizations do not organically become Learning Organization (LO) unless a challenge or an external trigger forces the organization to become a Learning Organization.

Learning Organization is defined as “Organizations where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning how to learn together.” *Peter Senge*

The five disciplines of Learning Organization are Personal Mastery, Mental Models, Shared Vision, Team Learning and Systems Thinking.

The literature states although the concept was invented in early 1990 by Peter Senge in the USA, it gained popularity only in late 2001. That’s because it demanded adaptability and preparedness and the readiness for the same was missing in many organizations. It has matured over years and geographically this is a well-established framework but in certain industries and not all.

**Need for Learning Organization**

As organizations grow, they lose their capacity to learn as company structures and individual thinking becomes rigid. It is critical in today’s global competitive marketplace for an organization to maintain its position in a rapidly changing environment. A learning organization is one that has a heightened capability to learn, adapt, and change. A learning organization can acquire and apply knowledge faster than the competition and therefore maintain a leading edge.

This research has addressed why, how and what needs to be done for organizations to achieve the mammoth goal of staying ahead of the competition, having a sustained and profitable
growth year on year, in short achieving the capacity to achieve the desired results, *the business efficacy* by being a Learning Organization irrespective of industry and businesses they operate into.

‘Efficacy’ is the capacity of a business to achieve desired results and bring effectiveness in the way business functions to meet the business goals.

The research work has focused on how Learning Organization Framework can be implemented and its components can be mapped to the Business efficacy parameters to achieve the desired business results. The whole idea is to build a tool which would be a simplified mapping of Learning Organization disciplines stating clear actionable to achieve the desired business results.

This research is quantitative and empirical in nature as its data based, conclusive and capable of being verified through findings and analysis. It is based on working hypothesis for which fact finding was done to prove the same.

**Problem Statement that was addressed through the research work:**

With customers being demanding, business being agile and globalization being the wave, it’s inevitable for every organization to become a learning organization. Organizations that do not continuously learn either from the past, from their customers, from their failures and successes and also from the environmental changes fail to become market players in their space.

While Learning Organization is a known concept and has strong disciplines such as Shared Vision, Mental Models, Systems Thinking, Team Learning and Personal Mastery, many organizations have difficulty in adopting the disciplines. On the other hand there are success stories of Learning Organizations deriving the business advantages. Those who have adopted and institutionalized the LO model had tremendous positive results in terms of increased profitability, sustainable growth and certainly a competitive advantage.
The whole idea of pursuing this particular research work was to prove strongly that Learning Organization certainly has an edge over others which are not. The LO disciplines do impact the business outcomes and that it can be implemented in any industry irrespective of size and type.

Those organizations that follow the disciplines of Learning Organization certainly reap the benefit through positive business impact.

**Need & Significance of the study:**

- Though foundationally strong, advantages of being Learning Organization is not universally experienced in all industries and business.
- While businesses and industries are benefitting in some sectors such as manufacturing, the other industries such as the service sector don’t have many implementations of Learning Organization culture.
- There is a need to build a simplified Learning Organization model which will enable business to achieve its business goals.
- The “how” part of implementing and institutionalizing the LO disciplines is missing and needs elaboration and systematic approach for sustainability and for the business to reap the benefits of the same.
- Finally an industry agnostic re-engineered Learning Organization Model is to be developed which can enable business efficacy to achieve the targeted business goals.

**Objectives of the research study:**

1. To understand the importance and advantage of the disciplines of Learning Organization concept and how it enables business efficacy and impact the business results such as Profitability, Sustainable Growth, Competitive Advantage and Organizational Branding quotient of the organization.
2. To study the inherent characteristics of two industries such as Manufacturing and Services sector, draw a parlance between the two and understand how different these two industries and how do they reap the business benefits by adopting the Learning Organization culture and disciplines.
3. To identify if all the Learning Organization discipline impact the business outcomes equally, if not which of them impact the most.

4. Understand the pain areas of institutionalizing the Learning organization and build a reengineered model of LO which will be industry agnostic and also applicable to most organizations irrespective of their size.

**Scope of the study:**

- To study the inherent characteristics of Manufacturing and Services industries in Pune region to draw a parlance between the two industries, compare & analyze the environment in which they operate and understand the factors that helps some be a learning Organization while hinders the other industries.
- Collect authentic data from organizations in both industries and statistically prove that LO disciplines help organizations to achieve their business goals.

**Findings:**

1. One of the most important points that the researcher could draw was that organizations are aware of Learning Organization concept.

2. Many organization big and small have implemented the LO disciplines may not be in a structured way but certainly they show the sign of being one.

3. Inherent nature of the industry does influence the way Learning Organization disciplines are implemented.

4. Many organizations today appreciate the LO discipline but do not know where to begin the journey and how.

5. Both industries show patterns of **Shared Vision, Personal Mastery** and **Systems Thinking** also reflect that these three disciplines strongly influence and impact the business results.

6. Stake Holders from Services industry do not feel that Competitive advantage and Branding of the organization in their industry is influenced by the LO discipline and thus the ratings for these parameters have been very low as per the survey responses.

7. The statistical analysis of both Manufacturing and Services industry reflect low scores for two business outcomes of Competitive edge and Sustainable growth. The Services industry needs to further mature in their LO discipline and see how the LO disciplines could help them in achieving these two business outcomes. The Manufacturing
industry needs to accept and further adapt the new trends and automation happening in the business to gain competitive edge and sustainable growth.

8. The stake holders of Manufacturing industry do see value in all LO disciplines enabling the business results, they seem to show advancement in technology and embrace technology for their growth.

Conclusions:

1. From the research study it is clear that Manufacturing Industry shows far more maturity in terms of implementing Learning Organization disciplines as compared to services industry.
2. Services industry are yet to reach the maturity, while they are at their learning peak and would need further efforts to implement all disciplines of LO and get the business benefits through them.
3. It is also observed that while both industries are aware and trying to implement the LO disciplines, they do have challenge in implementing the disciplines systematically and further more are facing challenge in institutionalizing the LO implementation and sustaining the same.
4. The researcher feels there is an inherent need for a simplified model of Learning Organization disciplines and an implementation charter which can act as a ready reckoner for organization to make Learning as their DNA and establish a learning culture.
5. Every LO discipline needs to be defined clearly with the checklist items attached to signify what that discipline expects organizations to do in order to be at the receiving end of benefits for the business.
6. The two disciplines on which Organizations need further clarity for easily implementing them and leverage them are Mental Models and Team Learning.
7. The researcher concludes that the organizations need to have a strong learning culture at all levels to become a Learning Organization.
8. The Learning Organization is a concept and the disciplines of Lo need to be appreciated and implemented by the organizations.
9. The top management plays a pivotal role in implementing the Learning Organization.
10. The researcher also concludes that Learning Organization is an industry agnostic concept and the size of the organization does not matter for an organization to be one.
11. The flavors of LO implementation may differ as per the industry but the fundamental
blocks remain the same.

12. Learning organizations outperform non learning organizations in terms of speed that is time to market, customer satisfaction and delight, productivity and efficiency, innovation, cost, profitability and competitive advantage.

**Researcher’s Contribution:**

The survey conducted through this research had a wide coverage in terms of different organizations, their type and the people who responded to the survey. The inputs received are very valuable and apt for the current business challenges that organizations are facing. In both Manufacturing and Services industry a variety of organizations were surveyed and focused discussions with top management executives, mid-level managers and junior employees has enabled the researcher to design a simplified re-engineered model and suggest a comprehensive checklist to implement LO disciplines within an organization.

The two major contributions made by the researcher as a result of thorough research study are:

1. A re-engineered model of Learning Organization is proposed which maps the LO disciplines to the business outcomes enabling business efficacy. This model can be used by small, medium and big size organizations and is industry agnostic with minimal tweaking. Probably it would be necessary to look at the inherent nature of the industry and apply the LO disciplines suitably in a tweaked manner to get the business benefits.

2. A ready reckoner as a guideline is prepared for implementation of Learning Organization disciplines within an organization. This should be mapped to the respective business and used appropriately.