Chapter 2: Review of Literature

This chapter will focus on the literature review done for the research work. The topic selected for research needs detail understanding of Learning Organization (LO) concept, its advantages, benefits, challenges that it brings and how does it impact business efficacy.

There have been multiple attempts of explaining the Learning Organization concept however, there are no instances of implementation of this concept by the business, leading to business efficacy which means the direct mapping of which disciplines impact particularly which business outcome is not clearly stated.

For sake of clarity the researcher would like to define the term “Efficacy” once again so that the review remains focused on enabling the actual research objective. ‘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 is focusing on how an organization by being a Learning Organization will achieve the ultimate business results such as increased profit, sustainable growth, competitive advantage, brand image and customer delight.

While we have discussed about business efficacy, the Learning Organization enables the outcomes which the researchers feels need to be described in detail for the sake of clarity.

**Profitability:**

**Profitability** is profit earned by organizations by doing business. A profit is the balance of the revenue a business generates after clearing all its expenses incurred in generating the revenue, such as manufacturing a product, overhead costs, running cost of the business and other business activities. Profitability is the primary goal of all business organizations. Profitability is measured based on income generated and expenses incurred.
Competitive Advantage:

**Competitive advantage** is an edge that an organization has over its competitors due to value added activities, innovation and out of box thinking concept that a business discovers to outperform its **competitors**.

It is a superiority gained by an organization when it can provide the same value as its competitors but at a lower price, or can charge higher prices by providing greater value through differentiation. Competitive advantage results from matching core competencies to the opportunities. It is also about understanding the market demand, gauging the forecast and proactively working on the customer needs to come up with suitable product or service offerings and become the first players in the space.\textsuperscript{14}

Sustainable Growth:

Sustainable growth is the realistically attainable growth that a company could maintain without running into any financial problems. A business that expands quickly will sense difficulty in funding the growth. On the other hand if a business that does not grow or grows too slowly may stagnate. The growth always has to be optimal. A sustainable growth rate (SGR) is the maximum growth rate that a company can sustain without having to increase financial burden. In essence it is about how much a company can grow before it actually needs to borrow money.\textsuperscript{15}

Organizational Branding:

A corporate **brand** is a product of an **organization's** corporate strategy, mission, image, and activities. Corporate brand of every organization is unique and distinguishes from their competitors. Branding is created to showcase the USP of an organization and register the same in the minds of customers and employees, and create an image of what an organization stands for.

A brand is what makes the organization unique and stand apart.\textsuperscript{16}

The literature review was done to study the concept of Learning Organization, to understand the case studies of organizations who have successfully implemented the Learning
Organization disciplines as a strategic tool for business growth. Thus various literature resources were referred to, such as the journals, articles, books, white papers, past research thesis, websites, EBSCO net portal, discussion forum and one on one conversation were an integral part of the literature review.

It is an observation that typically product based organizations have successfully implemented LO as a strategic tool, however there were limited rather handful case studies and examples of services and especially IT service organizations being Learning Organizations.

This research has primarily focused on what organizations need to do, to be a Learning Organization and how learning organization disciplines enable business efficacy and readiness to meet the business goals.

The research also focuses on how the various disciplines of Learning Organization impact business efficacy. The objective is to study two major industries namely Manufacturing and Services, understand the inherit patterns of these two industries and draw a parlance between the two industries.

The literature review shows many successful implementations of LO in manufacturing companies such as General Electric, Honda, Corning, Toyota and many others, while Services industries have relatively few implementations of Learning Organization concept since the business in this sector is fluid and agile. However, there are a few Service Organizations that have successfully implemented the Learning Organization concept and have been successful for example Cognizant technologies, Tata technologies, Thought works, Accenture, NTT data, and Infosys to name a few. These organizations translated the new learnings into new ways of behaving and were successful in applying the knowledge in their business activities.

While the Learning Organization disciplines were discovered in early 1990, it gained popularity only in late 2001. The researcher wants to mention here that as the case studies and other literature review reflects one point clearly that even today while organizations are aware of Learning Organization and their disciplines, they are unaware of how to start the
journey of being an LO, implement this in their organizations and also measure the impact of the same.

Thus this research work entails in finding a re-engineered model of Learning Organization which can be implemented by any organization, small or big irrespective of the industry they belong to. A simplified model which will give specific actionable for the organizations to implement the LO disciplines and become one. They will have a ready reckoner.

The building blocks of this research primarily focused on five fundamental disciplines of Learning Organization namely Shared Vision, Team learning, Mental Models, Systems thinking and Personal Mastery. Additionally the researcher also has included two new angle to the whole concept namely, Knowledge Management within the Organization and Organizational Culture that would impact the implementation of Learning Organization.

The literature review also helped the researcher to understand the three fundamental building blocks of a Learning Organization which are: conducive and motivating learning environment, structured learning processes and tools and leadership that promotes learning.

Each learning block has distinct characteristics which are measurable to assess two things: to what extent is an organization a learning organization and what are the factors affecting learning in an organization. The tool used to assess this is a survey questionnaire and the scores are compared with the bench mark scores of a Learning Organization. Having compared the individual or unit scores with the benchmarks, it is possible to identify the areas of strengths and weakness and identify opportunities for improvement. Comparative performance is the critical scorecard while measuring the effectiveness.

It is important to understand each building block of LO is multidimensional and respond to different forces. Thus while implementing the learning culture, organizations have to thoughtfully select the right levers of change.

Learning Organizations are skilled at five core activities- structured method of problem solving, exploration and innovation, learning from experiences of self and others, from the past, from the industry best practices, from the customer demand and percolating the learnings efficiently throughout the organization.
For example *Xerox’s problem-solving process* is a used by all employees for making all decisions within the organization for which employees are trained and provided with tools for generating ideas, collecting information, analyzing the collected data and planning and implementing actions and are expected to use the techniques at all meetings.

*Corning Inc.*, an American based company is one of the world’s leading innovators in material science. They are manufacturers of glass, ceramics and related materials primarily for industrial and scientific applications. This organization is a **classic example of explorative and innovative culture**. They keep experimenting with diverse raw materials and innovative formulation to provide better quality glass.

Similarly, *Allegheny Ludlum*, an American company who are specialists in manufacturing and marketing stainless steels, silicon electrical steels, tool steels, titanium and nickel alloy materials **continuously explore new rolling methods** and improved technologies to reduce cost and enhance productivity.

*Chaparral Steel and General Electric (GE)* have an established culture of continuous learning and providing supporting systems to the employees.

*Chaparral Steel* is an American company who are into the business of metal roofing products for both commercial and residential applications. They **send their first line supervisors on sabbaticals around the globe to understand new work practices** and technologies, which they then bring it back to their organization and apply in every day job. **As a result, Chaparral is one of the five lowest cost steel plants in the world.**

*General Electric (GE)* based out of Boston, USA is a company which operates in various segments such as power and water, oil and gas, aviation, healthcare, transportation and capital. They **send their manufacturing managers to Japan to study factory innovations** such as **quality circles and Kanban cards** and then apply the learning in their own organizations. As a result GE has recorded average productivity gains of 5% over last four years.

Organizations need to review their success and failures judiciously and systematically document the learning for the whole organization to refer timely.
For example **IBM’s 360 computer** series was based on the technology of failed stretch computer that preceded it.

**Boeing learned** from their mistakes after difficulties exposed by their 737 and 747 series. Post the failure they did a comparison with their most successful and profitable series of planes 707 and 727. They documented the lessons learnt which were used on future projects. **As a result they produced the most successful, error free launches in the Boeing’s history.**

**At Motorola,** the CEO meets their customers regularly to seek insight of their products and feedback from the customers which is documented as learning and given as a feedback to the team to make the changes as desired by the customer.

Transferring knowledge or percolating the learnings, organization wide quickly and efficiently is very essential. This can be documented, shared verbally, provided through training and many other means.

Transferring knowledge to different parts of the organization helps share the wealth. Transfer may be from unit to unit or division to division or could be from one department to another.

**GE** did that by **transferring** the best practices and knowledge from its **manufacturing** units to its **Healthcare Service** providing unit.

**The CEO of Time Life** shifted the president of the company’s music division who was instrumental in several years of rapid growth and high profits through innovative marketing to the presidency of the book division, where profits were flat because of traditional approach of marketing.

At **AT&T,** **knowledge sharing** and transfer is **incentivized.** They have carved out the Chairman’s Quality Award (CQA), an internal quality award for information sharing and they reward the units with strong incentives and publish their names to the entire organization giving them visibility for sharing information which benefits the organization as a whole.

**Measuring the learning and its impact** is an important last mile for any Learning Organization.
The measures generally revolve around profit margins, cost reduction but there are many more measures which helps us in understanding whether an organization is a Learning Organization or not, such as quality (zero defects) of product or services offered, delivery speed, new product or service offering, innovations, repeat orders from customers, customer delight and customer service index (CSI) rating, maximum utilization ratio and low attrition rates especially in IT/ITES service organizations.

The half-life curve measure especially in manufacturing industries is another measure of learning in an organization. A half-life curve measures the time taken to achieve 50% improvement in a specified performance measure. It is a graph of performance parameters like defect rates, time to market and delivery vs. time scale such as days, weeks, months and year). The concept is, lesser the time taken by a unit or a division to improve its operational parameters and efficiency, higher is the learning rate resulting into superior performance at a faster speed.

The traits of Learning Organization can be measured through Cognitive skills of the employees such as attitude and depth of understanding, behaviors which reflect internalization of new concepts and implementing them on the job and last but not the least performance improvement which could be speed, efficiency, productivity and quality of deliverables.

The tools used for measuring the LO quotient are surveys, questionnaires and interviews, with employees or customers.

For example, Domino’s Pizza uses “mystery shoppers” to subtly monitor the manager’s customer service at their own stores.

Organizations like L&T Infotech and Infosys hire external services to interview their customers and internal employees to check on the customer feedback and employee opinion about the organization.

The culture of the organization plays a pivotal role in the implementing and practicing the Learning Organization disciplines. The leadership thought process and its approach of building an inclusive culture, transparent communication within the organization, making people empowered and independent, providing the right ecosystem to enable people to
perform at work, managing tacit knowledge through robust knowledge management mechanism, continuous learning, aligning to the organizational goal, valuing team spirit and cohesive work environment and thus building capability of the employees which in turn builds the organization competency to serve the customer are the key factors enabling Learning Organization culture.

To understand the concept of LO the researcher has looked into Indian and Global case studies, white papers and success stories. This was with the intention to have a holistic view of the Learning Organization concept and its impact on business outcomes.

The study clearly infers that global organizations have strong implementation of Learning Organization disciplines as compared to Indian Organizations. Interestingly there are some case studies which also show why organizations are unable to become a Learning Organization and the inferences from this type of literature review have also been considered by the researcher.

Indian Case Studies of organizations such as Dr. Reddy’s Laboratories, Hindustan Petroleum Corporation Ltd., Tata Motors, Mahindra Finance, Allied Blenders and Distillers, SGS India were referred. These case studies explain how by implementing the LO disciplines these organizations became successful.

Global Organization case studies such as The Toyota Way, GE becoming a learning organization, Al Khafji Joint Operations which is an integrated oil and gas operation in Gulf, Building a company the Steve Job’s Way, American Axle Manufacturing (AAM), Asian Development Bank(ADB), Swiss Log, Making Disney Pixar into a Learning Organization leading to acquisitions and mergers, Bayer Crop Science Ltd., NTT data, BRAC were studied to get global information on Learning Organization and its implementation.

Besides the above some global case studies from Spain, Hong Kong, Thailand, Romania and Greece were also referred to get insights and inferences were drawn from the same.
All case studies clearly stated why they jumped into it, what they did and the business benefits they got by being a Learning Organization.

According to the literature study, a Learning Organization is the term given to a company that has a learning culture and supports the learning of its members and continuously strive to implement the change, the new learnings and transforms itself in terms of its conduct, service and offerings. Organizations take a plunge to become Learning Organizations due to business pressures. This then enables them to remain competitive in the business environment. There are various definitions of Learning Organization which are discussed below.

2.1 Learning Organization defined

According to Peter Senge (1990:3) Learning Organizations are one’s which continuously keep learning by taking hints from the market demands, from the customers, from the competitors, from their success and also from their failures. These are organizations where people continuously keep expanding their capacity to create the results they truly desire, where new and out of box thinking is appreciated and nurtured, where collective aspiration is set free, and where people are constantly learning to see the complete picture. 17

Moya K.Mason (1992), in her white paper has mentioned- A Learning Organization creates its own future; it believes learning is an ongoing process. It is like a journey which helps members of the organization in discovering new things, makes them more intelligent and enables holistic development. It helps in increasing adaptability and in the overall process of transformation. 18

According to Watkins and Marsick (1992), Learning Organizations ensure inclusivity and complete employee engagement and involvement. They believe in collaborative learning and thus build collective intelligence. They work on shared values or principles. 19
Fargo and Skyrme (1995), use these thoughts to create their own definition: Learning Organizations are those who build a robust ecosystem with systems, mechanisms and processes that are used as enablers to increase and enhance their organizational capabilities and work towards achieving sustainable objectives. LO’s according to them are created through learning culture, processes, tools and techniques empowerment and motivation.

Watkins (1996), defines Learning Organization as one which takes an integrated approach between learning and work and systematically supports continuous improvement at the individual, group and organizational levels.

According to Lassey (1998), “A Learning Organization is one which trains their personnel to be aware of training and development opportunities for themselves and others”.

Buckler (1998), defines Learning Organization as one which has strong problem solving capability and ability in changing behavior that leads to improved performance at the individual, team and organizational level.

According to Garvin, D (2000), Learning Organizations are experts at creating, acquiring, transferring and retaining knowledge that can be used by the entire organization to produce positive results.

Now that we have seen multiple definitions of Learning Organization, it is important to see the five important disciplines of Learning Organization.

As per Senge, P. M., Charlotte Roberts, Rick Ross, George Roth, Bryan Smith, and Art Kleiner (1999), following are the Disciplines of Learning Organization:
1. **Personal Mastery**

This discipline is about individual aspiration which requires formulating a coherent picture of the results which people desire to achieve as individuals (the personal vision), along with the current reality that they are into. It’s the urge that an individual carry to know the unknown. There has to be a creative tension cultivated between vision and reality so that people can expand their capacity achieve more results outperform.

2. **Mental Models**

This discipline of reflection and inquiry skills is focused around developing awareness of the attitudes and perceptions that influence thought and interaction. People gain more capability by continuously reflecting upon, discussing about, and reconsidering these internal pictures of the world. General tendency is to observe behavior or event, selectively pick on observation and evaluate, attribute a meaning to the observation and conclude based on attribution. The actions or decisions are then based on the conclusions drawn and this is known as ladder of inference. Mental models help us to reflect on our ladder of inference to ensure we make right decisions.

3. **Shared Vision**

This discipline is all about goal congruence. It helps in focusing on mutual purpose. People learn to nourish a sense of commitment in a group or organization by developing shared images of the future they seek to create and the principles and guiding practices by which they hope to get there. A shared vision has to be created with a significant purpose, clear values and envisioning the future. It is important to understand the current reality and accept the same to create a creative tension. A strategy has to be developed to achieve the goal for which a plan has to be chalked out and communicated to all so that everyone is on the same page and level of understanding. Through shared vision the commitment level of all members strengthens.
4. **Team Learning**

This is a discipline focusing on team spirit, collaborative learning and gathering collective intelligence. The team energy is mobilized to achieve larger goals. Together the sum talent of the entire team comes out to be much higher than individual talents.

5. **Systems Thinking**

This discipline is about understanding interdependency and thereby taking appropriate decisions after complete root cause analysis. This discipline helps in developing the analytical capability of an individual and thus the organization as a whole. This results into a transformational change in the though process and instead of quick fixes for problems a detailed thought goes into developing a long term solution.

Tools and techniques such as systems archetypes and various types of learning labs and simulations help people see how to change systems more effectively, and how to act more in tune with the larger processes of the natural and economic world. 25

The Researcher has done a thorough Literature Survey on this said topic and has referred to multiple white papers, research thesis, Journals, Magazines and Indian and Global Organizational Cases Studies.

According to an article in HBR.ORG, namely “Building a Learning Organization” (1993), a few farsighted executives—Ray Stata of Analog Devices, Gordon Forward of Chaparral Steel, Paul Allaire of Xerox had recognized the link between learning and continuous improvement and thus had quickly adopted the learning culture and focused on the same. Many organizations joined the Learning Organization bandwagon, as they saw value in the concept.26

**Some white papers** have given varied perspective such as:
1. A white paper on the new Learning Organization by Piers Lea, Steve Braden, John Helmer (2011) states how Workplace learning and development is being transformed. This paper talks about the new Learning Organizations, their energies and their focus on the role of technology, learning culture and the changing behavior of the learners. It focuses on drivers, transformation in action and how to survive them.

2. A paper submitted by Lynn Perry Wooten (2011), “Building a company the Steve Job’s way-A positive deviance approach to strategy” which talks about how Steve Job created a difference through his campaign of “Think Different”. Steve Job did a phenomenal strategic planning which resulted into deviant results. He formulated a strength based strategy where the skillset of the organization and strengths of the organization were identified and learning became an integral part of the strategy.

The researcher inferred from this case that positive deviance is a strategy that an organization can adopt to have a competitive edge. The leaders of the organization have to be strategic storytellers like Steve Jobs who had the ability to craft a compelling strategic story for the organization and include the employees to build a competitive edge.

A positive deviance approach challenges the leadership team to identify opportunities in its external environment and enables the organization to position itself to seize these opportunities. Thus this also shows how leaders of the organization have to think differently, not only to understand the needs of the customer and the stake holders and how they will change but also how organizations have to reinvent and create new markets, products, services and customers. This is to create a differentiator and thus a competitive edge. Steve Jobs used positive deviant strategy for building a Learning Organization and thus was successful in achieving year on year profit, create a brand image and have a competitive edge through the strategy. He infused learning throughout the organization and was results focused.
The white paper NASA's PMO: Building and Sustaining a Learning Organization by Anne Luttrell talks about how NASA lacked an enterprise-wide approach to knowledge management and transparent communication with no structure for capturing institutional knowledge and experience in a meaningful and systemic way. Failures were inevitable. In its early days, the lack of knowledge management process resulted in the program failure.

Every lesson learned from every failure— every criticism— revolves around its people. There were multiple questions raised such as did they fail to communicate and share knowledge? Were the right people on the right projects? Were the right knowledge correctly identified, and the people who have it? The struggle to answer these questions powered a series of changes that forces NASA to become a Learning Organization. NASA realized that to be a learning organization, knowledge capture and sharing had to be embedded in its organizational DNA—everyone had to understand they had a responsibility to share what they learned and experienced with the entire organization. As NASA learned from its failures, it made significant organizational changes that today govern how lessons are captured, how knowledge is shared enterprise wide and how talent is developed. It also made a shift in thinking from a focus on individual competency to developing teams and finally becoming a LO.

The researcher infers that building organizational capability through Knowledge Sharing and Talent Development is a must. Failures lead to change. Failure enables learning if they are reflected upon and learnings are shared with others so that they are not repeated. Knowledge management is essential for any organization to be a Learning Organization and thus draw the benefits. When critical decisions are made with insufficient or incorrect information they may lead to failures. Thus systems thinking discipline of Learning Organization is a key to make critical decisions.29

Research done by Towers Perrin global workforce supports the mental model concept given by Senge (2006). It talks about giving leaders the empowerment of building Learning Organizations.

In ATD magazine, T+D(October 2013), the article “When Duty Calls, the Learning Team answers”, Jennifer J. Salopek talks about how Learning Organization is closely aligned to USAA’s, business strategy of transforming into relationship sales organization. USAA is the
United Services Automobile Association, a Texas based fortune 500 diversified financial services group of companies. The workforce readiness demanded new skills, processes and tools to be incorporated and implemented. She mentioned there is a strongest link between learning and culture of the organization. Leaders are made the cultural beacons to reinforce the cultural concept which is their way of doing business.

The Harvard Business Review has a toolkit provided by David A Garvin, Amy C. Edmondson, and Francesca Gino. It’s a tool kit to assess if an organization is a Learning Organization and this tool kit helps organizations to focus on areas which they need to focus on such as knowledge sharing, idea development, learning from mistakes and holistic thinking.

One of the whitepapers mentioned Swisslog as a Learning Organization and what they do to be a Learning Organization they promote a culture of continuous learning and knowledge sharing.

As a Learning Organization they want to create an environment where learning happens whenever and wherever possible. Use of wide set of learning platforms for the benefit of its individuals and of the organization is the first step they have taken. They believe that learning is a key driver for innovation, continuous change, and business success and value creation.

For the support of the Learning Organization their employees are committed to the following behaviors such as knowledge sharing, incorporate reflection, avoid blaming, show openness, avoid arrogance of knowing everything, avoid silo thinking and take calculated risks.

The researcher infers that learning becomes a key driver when organizations want to compete and have a competitive edge over others. Increase Profit and sustainable growth is only possible if organizations adopt to the Learning Organization disciplines.

An article on Becoming a Learning Organization “What British Petroleum (BP’s) story can tell you” (2003) is an interesting story to learn from BP’s trend analysis can be summarized as follows. They knew that they were in the “end game” for oil. This meant that they knew that being a leader in the oil business over the next 20 years would demand a much greater skill in the technical, the political and the operational fields than ever before. This was
because all easy oil was found and in the near future oil would be available only in more challenging geology, challenging political and environmental conditions.

Winning the end game in oil meant not only a financial effort but, above all, an intellectual effort. To win this end game would demand an exponential increase in intelligence and in capability. **They had to gather collective knowledge and wisdom of the entire organization.** The business risks were very prominent and they knew it was not easy to survive if they continued in the old way. **The need to become technically strong was very obvious. This business situation forced BP to become a Learning Organization.**

**Knowledge management is the area that they focused on and made that as an integral culture of the entire organization.** They identified that the issue was not to collect or manage information but to **make it available for people to use.** This is their insight – Knowledge Management is not about databases of explicit knowledge but is about facilitating conversations between those that have the tacit knowledge.

**BP’s European Facilities team, that build gas stations, saved over $700 million US in its first two years by learning from their experience as they repeated the task of building new stations.**

**BP has also, by using this learning process, met their 10 year Kyoto emissions target in only three years with no incremental cost to the company.** BP has built an impressive technology platform to support this learning process.

The researcher infers from this case that Organizations have to create a supportive learning environment for their employees to learn quickly and implement the learning to gain a competitive edge. Learning from the industry trend is inevitable for organizations and quickly getting ready for the challenge is a must. Organizations have to learn and get themselves ready for the change, they need to be agile.31

Another interesting case of organizations focusing on **knowledge management** and collaborative learning was the “**Al-Khafji Joint Operations**” in the gulf. It transformed
itself in to knowledge based learning organization that constantly enhances effectiveness at workplace by **enhancing employee skill** sets and thus their productivity.

The researcher infers that organizations who quickly understand the business need and customer demand, adapt to enablers such as continuous learning. **Organizations have to learn from the demand and lacunae and adapt to new ways of learning through automation and technology advancement like Khafji adopted.**

**The Disney Pixar Case study** by James Haley and Mohammed Sidky (2010) showcases how leadership, teamwork and organizational learning can contribute in making mergers and acquisitions work. **This is a classic case of integrating Disney’s distribution and production of traditional animation with Pixar’s advanced technologies.** Disney Pixar merger is successful because of team work, leadership and integration. **The two organizations merged and embraced the disciplines of Learning Organization to become successful.**

The researcher infers that mergers and acquisitions can create awareness in organizations that there are new and better ways to do business. In order to sustain in the business and be profitable it is increasingly becoming important to explore new ways, new methodology and unchartered areas and all of this can be easily enabled through the Learning Organization disciplines.

**American Axle Manufacturing (AAM) Company adopted the learning organization disciplines to prepare them for global growth.** AAM, a supplier of driveline related products **was sharply impacted by the automobile industries downturn in year 2008 and 2009.** When the industry began to rebound, AAM‘s goal was to take advantage of opportunities for global growth with re-energized and engaged workforce. **AAM focused on building next generation leaders through new leadership development programs developing the leaders who could think outside the box, be innovative and bring in competitive advantage to AAM.** Learning culture was the focus in this case.

The researcher infers that continuous learning can only help an organization to grow. The ability of the organization to learn faster and implement the learning will enable them to be lead in business and the organizations have to take candid effort to build a supportive learning ecosystem for the people to continuously learn anywhere and anytime.
According to “The Best Learning Organizations of Asia Study”, (2011-12), A Best Practices Journal, there are many organizations in India and globally who have been identified as Learning Organizations. Some of the case studies are being referred below.34

Bayer Crop Science Limited, a Germany based company is one of the world’s leading innovative Crop Science companies in area of crop protection, non-agricultural pest-control, seeds and plant biotechnology.

Bayer’s corporate culture is an important factor in company’s success. It is one of the large size organizations who have made Learning as an organizations DNA. It’s declared as Asia’s Best Learning Organization. The external environment of the business is very competitive.

Over the last couple of years their customers have become very knowledgeable and the industry has shifted from commodity selling to consultative selling. As the industry is knowledge based and technology driven they realized the need of technically qualified and skilled manpower. Due to the changing business landscape they identified a gap in the existing skills vs. desired skills and this triggered the need for creating a strong leadership pipeline at junior and middle levels. This made them to embark on the journey of becoming a Learning Organization.

The organization quickly shifted to a learning culture, gaining the required knowledge as per the industry practice. They had a strategic model designed to align with the customer needs. The XCEDO – excellence creation for enabling and development for sales force was one of their initiatives. Leadership development at all levels as another initiative that was formed and implemented. While designing these initiatives they reflected over the past mistakes they had done, unlearnt many things and embraced the change for betterment. The employees were included in all initiatives and their buy in was taken by having a shared vision, they took a holistic approach towards the changing time, business trends and customer needs. One of the activities they started doing was knowledge management in a structured manner. All stake holders went through a change management program. People at all levels participated heartily and made the journey overwhelming and successful. (Ibid., p.18)
The researcher infers from this that Organizations have to constantly keep a watch on the industry trends, the changes in their field of business, continuously learn and attack the problems proactively by anticipating the future trends. People are the most important asset of any organization and building the competency of the people and equipping them to deal with the demand is the only way to build a competitive edge.

Organizations have to adapt the learning organization disciplines, have a holistic view of the situation. Through shared vision they need to establish goal congruence between the organization and the employees, motivate them to learn and become competent. The change has to happen at all levels. The top management has to envisage the future and make necessary investments to create a supportive ecosystem within the organization to be profitable, have sustainable growth and create a brand value.

BRAC, based in Bangladesh, is the world’s largest non-governmental development organization dedicated to alleviating poverty by empowering the poor to bring about change in their own lives. “Learning by Doing” has been the cornerstone of the Learning Philosophy at BRAC. It has organized and implemented its project interventions on learning new knowledge and skills from experimentation, thereafter replicating the results on a larger scale through team efforts. All BRAC’s development strategies and interventions resulted from experience and propensity to correct previous mistakes. It has been identified as a Learning Organization by many people such as David Korten, Lovell and Martha Chen in their articles and books. (Ibid., p.70)

The researcher infers from BRAC case study that any organization irrespective of its type of business and size can adapt to being a Learning Organization. The need to change, to continuously keep learning, do things differently and in a progressive manner if identified rightly by the organizations they can go long way.

“Learning by Doing” is giving room for mistakes, learning from practicing and then implementing at a larger scale. The organizations need to practice the learning culture and enable employee learning. People have to be fearless in order to become confident and gain new knowledge. The organization has to be supportive and create conducive ecosystem for the people to grow enabling the organization’s to grow.
Irrespective of the type of the industry or size of industry organizations can benefit by implementing the LO disciplines. The above case study’s makes it evident. The organizations referred to in the above case studies belong to various types of industries some are private, some are non-profit organizations, some are public, some are huge while some are micro, small or medium scale organizations.

**Hindustan Petroleum Corporation Ltd. (HPCL)**, a public sector company, is one of the largest refining and marketing companies in India. HPCL’s vision is to be a world class energy company known for being caring and customer service oriented with high quality products and innovative service offerings across domestic and international markets. They aim at aggressive growth and superior financial performance. HPCL is known for its evolved people processes and strives hard to sustain as a Learning Organization.

They focus on developing the competencies of their employees aligning to organizational vision, equip them, empower them and support them to achieve the organizational goals. The learning journey of the organization have structured initiatives in terms of competency management, knowledge management, organization wide inclusivity, transparent communication, building on strengths, learning the unknown, planned succession planning and enhancing productivity of the employees. *(Ibid., p.28)*

The researcher infers from HPCL case study that large organizations have larger challenges in implementing the Learning Organization disciplines, however if Organizations are determinant in creating an edge they have to plan, strategize and implement the course of action in a systematic way as HPCL has done. The vision has to be clear, understanding of the market demand has to be clear, challenges have to be anticipated and worked upon and an ecosystem has to be created to enable the learning journey to become successful. By adapting the Learning Organization disciplines HPCL has been seeing increased profitability of about 30 % year on year and increased annual turnover.

*There are some contemporary Indian Organizations with Learning Culture:*

*(Referred from article on ideasmakemarket.com, 2013)*
Tata Steel became a Learning Organization by implementing KM (Knowledge Management) strategy in different phases.

- This included awareness programs in process and system design for all. They launched the KM portal and formed knowledge communities. The maturity index across the entire value chain was formulated.
- The portal was integrated with other systems in the organization.
- The knowledge transfer mechanism were defined and supported.
- This was introduced through daily operations and learnings documented from success and failures. Employees were encouraged to publish papers and knowledge sharing was promoted across the value chain through suggestions, small group activity, etc.

There were multiple instruments of Knowledge Transfer created where information could be shared and retrieved from.

NTPC’s National Thermal Power Corporation (NTPC’s) Knowledge Management imperatives are derived from its strategic objectives and HR vision of becoming a “Learning Organization”.

Their strategic objectives were:
- To implement power projects with speed.
- Power stations to be operating with efficiency and must be run economically.
- Get into unchartered areas and explore new opportunities.

Their knowledge management imperatives were:
- To improve on project construction lead time.
- To reduce operational costs and embrace best practices such as sharing knowledge.
- Learn from the competitors, customer needs and industry demand and acquire new knowledge.
Benefits of Knowledge Management System to NTPC

- Inculcated a learning culture within the organization
- Cultural values were strengthened
- Strong bonding and commitment on shared visions were practiced
- Information was free flowing and made available to all
- Operational activities were done much better and faster
- Knowledge sharing across the plants helped in reducing mistakes
- Improved speed and efficiency by the teams was evidently seen

Allied Blenders and Distilleries Pvt. Ltd. (ABD) is a fastest growing spirits company in India based in Mumbai. It is engaged in manufacturing, marketing and sale of alcoholic beverages in India promoted by the stalwart of India’s alco-bev industry Mr. Kishore Chhabria.

Its vision statement was to become the most admired spirits company. The value framework of the organization comprises of Team work, constant innovation, execution excellence, professional and personal integrity and pride in what they do. **People and learning form an integral part of the organizations vision. Brand rediscovery and visioning, ABD academy, Knowledge Management, Avoiding repetition of mistakes and reflection on the past, succession planning, future leader program and building on strengths are some of the activities they embark on heavily.** (Ibid., p.36)

People connect, employer brand and holistic development are the three focus areas they looked into.

Researcher infers that Organizations who have strong cultural values, inclusivity of employees, learning culture and supportive ecosystem to achieve their goals are always successful. **Most of the Learning Organization disciplines are well followed by ABD and it reflects in the company’s growth.** ABD has grown at a **CAGR of 21% on volume basis** and at a **CAGR of 31% on value basis over the last 3 years between 2013 -2016,** to emerge as India’s 3rd largest spirits company and also as the largest domestic spirits company. From being a single brand company a little over 8 years ago, today ABD is a multi-brand company having presence in almost all categories within the spirits industry.
This is a classic case of how small organizations can grow to become a successful and large organization by embracing the LO disciplines and practicing them diligently.

Another Indian Organization Dr. Reddy’s Laboratories Ltd. established in the year 1984 is an integrated global pharmaceutical company committed to provide affordable and innovative medicines for healthier lives. It leverages its core businesses strength in pharmaceutical services and active ingredients, global generics, biologics development center and proprietary products, Dr. Reddy’s offers variety of products and services.

The organization culture depicts customer centricity, performance driven culture, innovation, egalitarian and trust worthiness, flexible and adaptive. People are given the highest importance and talent development is always a key endeavor. They practice the LO disciplines of Personal Mastery, Shared Vision and Team Learning which helps them to meet their organizational goals and align to their corporate vision. (Ibid., p.44)

The researcher infers that irrespective of type of industry and size of the organization, learning organization disciplines help companies to become profitable, have a competitive edge and excel. The disciplines have to be institutionalized to see the impact. The organization culture plays an important role in imbibing the LO concept.

Organizations have to be continuously learning to beat the competition and have a competitive advantage. Innovation in services and product offerings are a must for an organization to grow. The employees of the organization have to be aligned to the goal of the organization and they need to be told what’s in it for them and how they play a pivotal role in making the organization profitable. Inclusive culture, shared vision and right ecosystem for continuous learning are the key factors to enable overall growth of the organization and the employees

Mahindra and Mahindra Financial Services Ltd. is a subsidiary of Mahindra and Mahindra Ltd. It is a leading non-banking finance company and caters to the financial needs of the large population residing in the rural and semi-urban areas of India. It strives to provide credit loans and confidence to the financially weak people of rural and semi-urban India.
They support their customer and guide them in life with possible solutions, suggestions and flexible repayment options. They follow the group philosophy ‘Rise’. They support the customers to think beyond the obvious, catalyzing product process innovation and driving a positive change for the customer. Learning is an integral part of their culture. It is guided by the singular objective of implementing new knowledge into practical action in an accelerated business environment.

A key ingredient towards achieving profitability is to effectively leverage employee potential and thus the utilization. The CSI is treated as a critical barometer of success for the organization. Customer feedback is used as a vital input and the taskforce analyzes the shortcomings and try to find possible solutions around the same. The culture of the company is conducive to continuous learning, adapting to change, learning from mistakes and feedback. This has enabled the company to have year on year growth, have a vast network of branch offices, retain talent and increase the network of customers. (Ibid., p.82)

The researcher infers from this case study that organizations have to be farsighted, have awareness of the surrounding, anticipate the future and be ready to meet the growing customer demand in order to have a competitive edge. They need to nurture the talent, create right ecosystem to enable growth and leadership team has to be strong and walk the talk to set right examples.

According to an article published in Bulletin of Transylvania University of Brasov (2014), Learning Organization has to be a multilevel model. First leaders increase the individual’s level of adaptability, then the developmental readiness thereby increasing their motivation and ability to approach learning experiences and adapt their mental models. These individuals then become the catalyst within the organization.

Secondly, leaders may promote the sharing of knowledge to others. Finally the leaders may target actions at the systems level to institutionalize the knowledge to the organization as a whole. The conclusion is there are often discrepancies between the larger organizational perspective, and the understanding of the team and individuals down the pyramid. Learning initiatives should put mechanisms in place to support the associates, an individual, as teams and thus the whole organization.35
The researcher infers that by focusing on learning culture and by getting out of mental models organizations can become Learning Organizations where learning becomes the DNA of the organization. It becomes the second nature of every individual and pull factor is reflected than push factor. This needs powerful and dedicated people at the top and also across all other levels who will collectively strive to become a Learning Organization. The culture of learning has to be pushed formally and informally and there have to be multiple champions who act as a catalyst to institutionalize the process of learning.

According to an article in International Business & Economics Research Journal titled “Absence of Transformational Leadership in Greek Enterprises Results in the inability of forming Learning Organization.” The author John Theodore demonstrates that Learning Organizations cannot be formed in the Greek private business sector because they follow a not transformational leadership style. The lack of industrialization and the excessively limited number of corporations resulted in the absence of transformational leaders who are found in developed organizations in advanced countries.

The Greek business leaders lack the leadership charisma and have an autocratic leadership style. Inspirational approach is missing from Greek leaders. Lack of inclusivity culture, lack of transparency and care leads to disengaged employees. The top management takes all the decisions and there is no delegation of authority and ownership. The culture there is rigid and resists change. It’s mostly family grown business and the CEO is the father of the family, who has complete control over the business and the others follow him.36

The researcher infers the most important ingredient in becoming a successful Learning Organization is the organizational culture and supportive ecosystem. The top management has to play a vital role in providing transparency, opportunities and empowering the employees and setting the vision clear. This becomes the foundation of building a strong organization. If this is missing organizations cannot become Learning Organizations and thus cannot draw the business benefits.

Transactional leaders need to change themselves into transformational leaders. Learning Organizations are vital means of developing an organization’s culture of high performance. Transformational leadership enables learning and thus enables an organization
to become a Learning Organization. **Greek organizations are traditional and they exhibit resistance to change.** This has remained the same for many decades to this date. (Komninos & Tsamis, 2008).

Inspiration and Motivation from the leaders are absent resulting into subordinates not knowing their roles, expectation at work and they keep doing repetitive tasks in short no progress in thought process is visible. (Lipovatz, 1998).

Another research paper referred by the researcher was by the name “Dynamics of Learning Organization within the Romanian Knowledge Economy”. This paper throws light on the implications of Learning Organization’s disciplines on the enterprises competitiveness level in the knowledge economy.

This case study implicitly focuses on how organizational learning is one of the strategic tools for achieving long term success. The organizations capability to generate and apply new knowledge transfer is considered one of the main sources of competitive advantage.

The paper explains that knowledge dynamics means knowledge transformation from one form to another form in terms of some principles. The change occurs at two levels, **tacit level and explicit level**. The knowledge dynamics represents multiple transfers through different processes such as socialization or externalization or internalization.

All that it says is that knowledge of the organization needs to be stored at a centralized location, should be managed effectively which means it has to be documented, updated regularly and made available for use of all, at the organizational level.

At the organizational level, the learning process is not equivalent to the sum of individual learning. The learning ecosystem has to be such that every person in the organization is continuously learning, the employee can refer to the knowledge repositories as and when he requires with ease and use the existing knowledge to take his current activities forward rather than recreating the same content or reinventing the wheel.

In Romania, education began with the entry of training companies. Due to the market need, Romanian companies have started accepting that training is required for the organizations to grow and thus learning and knowledge management has started gaining importance and there is structure to the process. This is a sign of a Learning Organization.
The research inference strongly reflects that creation of knowledge repository is a must. Thus the organizational learning is the capacity to integrate individual learning of each employee in an organizational process of adherence to common cultural values and vision. Knowledge economy and Learning organization provide new dimensions of the learning process.37

According to David Garvin, GE meets the test of being a Learning Organization. GE is one of the world’s most diverse and best performing global enterprises known for leadership and innovation.

Jack Welch did not believe in rigid, hierarchical organizations as they were poorly structured to compete in the fast-moving, information-centric, customer-focused competitive environment of the 1990s and beyond. He recognized that General Electric had diversified knowledge, talent and ideas within the team which could become a solid competitive weapon for the company in the new business environment. Work-Out was GE’s boundary-breaking program of the early 1990s, made GE into a boundary less company and launched boundarylessness both as a management philosophy and a potential field of study.

Boundarylessness was seen along four dimensions: vertical, horizontal, external, and geographic. Although all four dimensions are important in the boundary less literature, the horizontal and vertical dimensions are most important for the understanding of boundarylessness at General Electric because those were the two dimensions concerned with day-to-day interactions among coworkers.

Jack Welch wanted a work environment where people could spontaneously react to any situation and collectively solve any problems efficiently. He believed in empowering people to make decisions at the lowest level and in creating an environment that enabled them to take risks. This was the need that was felt at GE during the 1980’s for the implementation of boundary less organization.38

How GE Do it?
- **Town meetings where** employees from different managerial levels working on the same customer or product come together to discuss new ideas. Before the meetings a few days are spent on idea generation and at the meeting they are discussed at great length. In the end some ideas are adopted and some rejected. In this format everyone has an equal footing and thus every employee from any level can challenge or propose an idea. This served two purposes one, more of thinking and thought process was seen, new ideas were generated and implemented. Two, the employees were empowered to make decisions.

General Electric is a multi-business company and Jack Welch tried to create an atmosphere and culture where adapting and implementing a new idea from another unit of GE or externally was valued as much as generating it from scratch. This was about reusing the best practice.

It is important to highlight that when organizations have multiple business, units or divisions, not necessarily all units or divisions of the organization will implement the LO disciplines at the same time. Many a times one unit or division may be far stronger in LO disciplines and eventually based on the success of these units, the best practices are shared with the other units and eventually the entire organization becomes a Learning Organization. The leaders of the organization just need to sense this and accordingly percolate the best practices to the other units at the right time.

Learning at General Electric happened through strong pointing and pushing and negative pointing and pushing.

**One of the key points that this article mentions is about reflective practices flourishing when people experience a high level of psychological safety and trust.**

A LO needs people who are reflective practitioners who learn by doing, learn from mistakes, learn from success are intellectually curious and keep exploring.

An LO protects its investment by given careful attention to retain its people. Learning is rewarded and recognized.
A LO, provides opportunities for developing and sharing the knowledge with others through structured knowledge management process.

LO’s also harness the power of information and technology to strengthen organizational learning, they keep the communication free flowing and transparent and update every member on the developments and progress. They encourage innovation and creativity, share and learn from good practices, celebrate success, learn from failures, and connect with outside world to keep them updated.

A different perspective is reflected through an article published in (HBR.ORG (2015)), named “Why Organizations do not learn” by Francesca Gino and Bradley Staats. It mentions companies struggle to remain Learning Organizations for multiple reasons. Biases cause people to focus too much on success, take action too quickly, find difficult to change and fit in and depend too much on experts. The deeply ingrained human tendencies are barrier towards becoming a Learning Organization.39

Bias towards success is caused due to fear of failure, overreliance on past performance, a fixed and conservative mindset, attribution bias where people fail to accept that the failure is caused due to their own actions and may be mistakes.

Bias towards action poses two challenges such as exhaustion of employees and lack of reflection. Encourage reflection to learn and think.

Bias towards fitting poses two challenges namely believing one needs to confirm and secondly failure to use one’s strength. LO’s encourage people to develop their strengths and leverage these strengths for efficiency and productivity.

Bias towards experts poses two challenges namely an overly narrow view of expertise and secondly inadequate involvement of customer facing staff. LO’s encourage employees to deal with the problems that affect them, they empower them and allow them to use their experience to tackle the situation.

Organizations should strive hard to understand the nuances of the industry they are into, their customers and the team experiences that affect their operating environments.

The researcher has a point of view over here. Implementing the LO disciplines and leveraging them to achieve business outcomes is not a one time activity. It has to be
constantly nurtured so that Learning Organizations can sustain and keep leveraging the strengths of LO disciplines to continue progressing. It is important to have a strong governance mechanism to ensure the same and every employee of the organization including the top management has to strive hard and be made responsible for this.

Besides case studies, journals and other literature sources, books were referred largely to seek information. The researcher referred three important books for the research study along with many others namely Peter Senge’s book ‘The Fifth Discipline’, “Dance of Change” by Peter M. Senge, Robert Kleiner, Charlotte Roberts, George Roth, Rick Ross, Bryan Smith and ‘The Toyota way’ by Jeffrey K. Liker.

The title of Peter Senge’s book The Fifth Discipline cites the five Disciplines to create a Learning Organization. The five disciplines of LO are Shared Vision, Mental Models, Team Learning, Personal Mastery and System Thinking. The fifth Discipline, System Thinking, is the one discipline that binds the other four and therefore this is the discipline which requires attention and should be focused for change management.

Lifelong learning is important for an organization in order to be profitable and to have a competitive edge. Learning is directly proportionate to the value it creates.

There are seven learning constraints in all.

1. **I-am-my-position syndrome.** Talking in terms of tasks and position but not about the value that they add.

2. **The enemy is there syndrome.** When people hold others responsible for any problem as they do not realize the power of their own influence on others.

   - **The illusion of taking charge** is due to reactive action instead of proactive action. Waiting for instructions or go ahead could prove to be dangerous.

   - **The fixation on events** which means small continuous improvements are not noted only large achievement is considered. Learning and improving has to be an integral part of every employee.

   - **The parable of the boiled frog** meaning a frog held in a pan in which the water temperature slowly increases will die as soon as the water eventually boils, because the frog will not notice the temperature increase. To prevent this from happening to
organizations in changing environments, **changes of processes should be measured and evaluated.**

The final constraint Senge describes is **the myth of the management team** in which people truly believe that **top management or senior leaders can solve all problems.** Problem solving has to be collectively done. Collaborative thinking is a must to resolve any critical issues.

Peter Senge also describes **nine** behavior patterns which deserves attention:

1. There is always a **delay** between the actual actions and the final results.
2. **A pattern of limited growth** is the result of focusing only on improving activities related to growth acceleration instead of focusing on reducing growth limiting factors.
3. **Moving the problem** instead of solving it. Quick fixes for problems identified is not the way to deal with them as they may re-occur and cause damage.
4. **Deteriorating Goals** when situations get tough is not a strategical move. Goals give directions to the organization and helps in achieving multiple milestones.
5. **An escalation loop** is one which results into loss for all. According to Senge, only win-win situations should be nurtured.
6. **Success to the successful** is the archetype in which resources are allocated to the most successful activity and the others are given secondary importance.
7. **The politics to receive resources** to safeguard a departments interest at the cost of entire organizations interest at stake.
8. **Solutions which do not solve**, meaning these are quick fixes which solve the problem temporarily and its re-occurs causing more damage.
9. **Growth and underinvestment**, is a situation where things are fine and thus does not call for further investment. Not investing today, might lead to an opportunity loss in the future.

In the **Fifth Discipline** (which is Systems Thinking) Senge encourages managers to look at problems from a holistic perspective. Dealing with the problems in parts may not be appropriate as the long term impact may go missing.
The book “Dance of Change” by Peter M. Senge, Robert Kleiner, Charlotte Roberts, George Roth, Rick Ross, Bryan Smith (1999) focuses on one particular type of organizational change: that which combines inner shifts in people's values, aspirations, and behaviors with outer shifts in processes, strategies, practices and systems. This kind of change is called “PROFOUND CHANGE”.

The organization builds its capacity for doing things in new ways. There is not only change, there is also learning. All examples are judged based on business results. Meaningful indicators of real progress include time to market, customer loyalty, quality and long-term profitability and growth.41

‘The Toyota way’ by Jeffrey K. Liker is about Toyota’s unique approach to Lean Management. To create a Learning organization, Liker describes 14 management principles an organization should embrace. These 14 principles are divided and discussed using a 4P model: Philosophy, Process, People & Partners and Problem Solving. Liker explains that the Toyota Production System (TPS) is more about its culture and not only about the tools, which fit only the Process part of the 4P model.

The main message Liker sends through Toyota Way Principle #14: Become a Learning Organization is that No organization is perfect – there is always room for improvement. Continuous learning, implementation of the learning and step by step transformation is the key to success. It is important to reflect on the past, what went well, what could have been better. Thinking out of the box and exploring new methodology and new areas is the need of the hour.


It is important to reflect on the past, learn from the mistakes and indulge into root cause analysis. Continuous improvement should be promoted in organizations.42
2.2 Summarization and Learning from the Literature Review

Post the literature review done through various global case studies, articles in various journals, study of existing research papers, reading of various books, study of articles on various websites, researcher has inferred that to thrive and survive in uncertain environments, it is inevitable for organizations to continuously learn, reinvent, adapt and prepare themselves for fluid business dynamics.

Today’s competitive environment presents unique challenges to organizations placing a premium on speed and innovation aligning to the customer need. Change is the only constant and the need of the hour. Change is always uncomfortable, disruptive and strongly resisted. Thus the need for strategic learning leading to business efficacy emerges.

A Learning Organization is an established concept and many organizations have been successful in implementing the same. While conceptually they are well explained, organizations do have challenges in implementing them for various reasons. The cultural shift is most challenging and poses multiple problems. However, organizations of any size, industry and structure can adapt the Learning Organization disciplines to be successful and create a positive impact on business outcomes such as Profitability, Sustainable Growth, Organization Branding and Competitive Advantage.

The case studies and articles are evidence to this. The researcher therefore has drawn a parlance between successful LO organizations and those which are struggling to become one and therefore selected two main types of industries, Manufacturing and Services to understand the Learning Organization implementation and thus has a re-engineered model of LO which is industry agnostic. The researcher has attempted to state how organizations can practically become a successful Learning Organization and sustain the same through actual action points and a ready reckoner to refer for easy implementation of LO disciplines.

The researcher feels it necessary to understand the two industries under the research scope before proceeding further. It is important to focus on the inherent nature of the two industries.
Both Manufacturing and Services industries are certainly different in their nature but they have common goals. The commonalities and differentiation between the two industries are listed below.

Both industries can benefit by adopting the Learning Organization disciplines.

A Manufacturing industry refers to those which manufacture or produce a finished good from raw materials.
A Services industry refers to one which offers service to its customers in variety of areas.

The researcher has attempted to list down the differentiators and similarities between both the industries.

<table>
<thead>
<tr>
<th></th>
<th><strong>Manufacturing Industry</strong></th>
<th><strong>Services Industry</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Output</td>
<td>Output is tangible</td>
<td>Output is intangible</td>
</tr>
<tr>
<td>Nature of industry</td>
<td>In manufacturing industry there is production and consumption happens at different stages</td>
<td>In service industry there is simultaneous production and consumption.</td>
</tr>
<tr>
<td>Inventory</td>
<td>Goods produced for stock and for work in progress</td>
<td>Services are produced based on customer needs</td>
</tr>
<tr>
<td>Customer</td>
<td>Good produced are without a customer demand or based on the market forecast</td>
<td>Service offerings are customized as per the customer demands</td>
</tr>
<tr>
<td>Workforce</td>
<td>Automation of production process is made possible to reduce the workforce</td>
<td>Talent intensive knowledge management becomes essential</td>
</tr>
<tr>
<td>Location</td>
<td>Needs a physical location</td>
<td>Can be virtual</td>
</tr>
<tr>
<td>Products &amp; Services</td>
<td>Are Standard</td>
<td>Customized to suit customer needs</td>
</tr>
<tr>
<td>Productivity Measurement</td>
<td>It is easy to measure productivity in manufacturing industry</td>
<td>It is difficult to measure productivity in manufacturing sector</td>
</tr>
</tbody>
</table>
Operations are either process manufacturing or discrete manufacturing. Strategy & Planning is consultancy, banking, IT services, Hospitality to name a few. Table 1: Comparison between Manufacturing and Services Industry

<table>
<thead>
<tr>
<th>Operations</th>
<th>Strategy &amp; Planning</th>
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<tbody>
<tr>
<td>are either process manufacturing</td>
<td>Long term and schedule based</td>
</tr>
<tr>
<td>are consultancy, banking, IT services, Hospitality to name a few</td>
<td>Short term and project plan based</td>
</tr>
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While we see the differences between the two industries there also are similarities between them.

- Both Manufacturing and Services industry have goal for making profit.
- Both want to be leaders in their own space.
- Cost control is an issue in both industries.
- Forecasting demand is a challenge for both.
- Staying competitive is a challenge for both.

The researcher is of the opinion that irrespective of their inherent natures, both manufacturing and services industry have common goals. In fact any business you look at, have common business goals such as profitability, sustainable growth, competitive edge and branding. For achieving these goals business organizations have to continuously keep learning from the market demands and from the competitors, keep themselves abreast of industry trends and continuously innovate to provide value to their customers.

Learning Organization disciplines are guiding rules for any organization small or big irrespective of the industry since the business goals remain the same for all.

What differs is their inherent industry nature, environment and probably processes. All they have to do is understand the LO disciplines and map them to their environment. They need to take candid effort to implement LO disciplines slowly and steadily within their organizations and slowly institutionalize them to enable business efficacy for them.
More importantly the timing has to be right and the approach has to be correct. Every employee of the organization has to be included in the journey of becoming a Learning Organization. The ecosystem has to be made conducive for the LO disciplines to be harnessed and adopted. The top management along with change enablers plays a vital role in making the organization a learning organization. The vision of the organization has to be very intuitively conveyed to every employee through a strong story telling ability which will captivate their mind and soul and contribute towards becoming a Learning Organization.

Similarly the size of the organization is always considered as an important factor while implementing the LO disciplines. Ideally small organizations should strive to implement the LO disciplines from the inception stage so that it automatically becomes the DNA of the organization. Large established organizations if are newly shifting towards LO disciplines may face challenge though seamless integration and inclusivity would enable large organizations to adopt the LO disciplines and achieve business efficacy.

Thus large organizations should implement the LO disciplines part by part in a structured manner. Create success stories in one unit or division, share the success stories with other units and motivate them to replicate the best practices in their respective units by showcasing the real time benefits. Thus shift the entire organization to become a Learning Organization.

It is also important to note that implementation of LO is not a onetime activity. It’s a journey towards excellence and a continuous process which has to be governed, institutionalized and then should become the DNA of the organization in order for it to sustain and keep reaping the benefits.

Though every business has common goals, their operation differs. The researcher is of the opinion that organizations have to map their business process and the outcomes and integrate LO disciplines to achieve the outcomes. They may have to tweak the parameters to suit their respective business need.
The manufacturing industry has emerged as an important growth sector in India, with the “Make in India” program launched by Prime Minister Mr. Narendra Modi. India’s manufacturing sector has the potential to reach USD 1 Trillion by 2025 and account for 25-30% of the country’s GDP. Business conditions in the Indian manufacturing sector to remain positive.

With this statistics and forecasted future, industries and organizations need to continuously learn, bring in innovation and have a competitive edge over other market players. Learning Organization disciplines can be used as the guidelines to do things differently and could be tweaked to suit the business needs. The tool will become handy for organizations to grow, learn faster and better and achieve their business Goals.43

On the other hand the services sector growth is governed by both global and local factors. The prediction is that services sector would show a 7.4 percent growth in financial year 2016. Most of the services sectors such as the financing, insurance, real estate and business service sectors are expected to show good progress by end of 2016.

**Learning plays a very important role in the growth of business irrespective of size and type of industry** and thus the researcher has proposed a re-engineered model of Learning Organization framework which could help the organizations to adapt and implement the disciplines to achieve business efficacy.