CHAPTER – IV

CONCEPTUAL FRAMEWORK - ORGANIZATIONAL CULTURE AND ORGANIZATIONAL LEARNING

A. ORGANIZATIONAL CULTURE

Organizational culture can be stated as a form of organizational analysis borrowed from the field of anthropology. Till date, no single universally accepted definition exists; however, “the term organizational culture generally is accepted as referring to the shared meanings, beliefs, and understandings held by a particular group or organization about its problems, practices, and goals." - Richard Kropp, Ed. D

Organizational culture is often taken in conjunction with climate, ideology, and style that makes the concept much confusing. Organizational culture can be described as the accepted and patterned ways of behavior of a given people (overt organizational behavior), body of common understandings (group and organizational norms) and an organization's way of thinking feeling and acting (ideology and philosophy).

Organizational Culture is a cognitive framework consisting of attitudes, values, behavioral norms and expectations shared by Organizational members. Even the Organizations concerned with identical activities or that provide similar products or services can be very different from one another. Organizational Culture is the system of shared beliefs and values that develops within an organization and guides the behavior of its members.

The modern competitive environment demands a better understanding of how an organization's culture affects its performance. It has always been challenging for the researchers to explore and study the nature of culture in terms of organizational settings, methodological challenges, cultural link between

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organizational processes, and the courses of actions or strategies pertaining to culture.

The study of Organizational Culture and Organizational Learning is of recent origin and is getting prominence day by day. A strong culture makes the Organization improve its efficiency by increasing the competitive edge. While talking about Organizational Culture, it becomes mandatory to understand what 'Culture' as the term actually means.

Culture, while on the one end is described as the set of values and beliefs, on the other it is described as set of symbols, ceremonies and myths that communicate the underlying values and beliefs of the organization to its employees. Culture persists and is changed or maintained by virtue of its continual creation through the interaction of organizational members, their shared interpretations and the significance they attach to what occurs. Culture - being an intangible force directs the cultural values that make organizations special. Culture plays several important roles in organizations. On one hand, it provides a sense of identity while on the other; it generates commitment to the organizations' mission. It also clarifies and reinforces standards of behavior.

There is no gain saying that corporate culture influences organizations' performance. Keeping this in view, it is worth studying culture in organizations such as professional education institutions and its association with policies and performance. 'Cultural audits' are taken, these days, by organizations to match culture with future strategies so as to manage or change the culture in consonance. However, the study of culture is not an easy nut to crack, rather it demands empirically acquired knowledge followed by critical reviews.

There are almost as many definitions and understandings of culture as people writing about it. At such a time when different people talk about culture, they may or may not mean the same thing. Some find their definitions rooted in the anthropological bases of rather isolated societies; to others it is the functional aspect that appeals most to shape culture for the best results. They see

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124 Sackmann Sonja A., Cultural knowledge in organizations, Sage Publication, California, 1991
culture acting as a control mechanism in creating organizational commitment, achieving integrations, or in adapting to external changes.

The origin of the concept of culture is rooted in the study of anthropology. Anthropologist associated culture as their foundation stone and the most central problem of all social sciences. (Malinowski (1939), Case (1948)). Later, culture got prominence in the areas of management and organizational behavior. Prior to that, it also received attention in the fields of sociology and social psychology.

Although culture has been the focal area of studies in anthropology, sociology, organizational theories, and management, but the connotation it had, was not always the same. Different concepts, assumptions and interests made these connotations dissimilar. Diverse opinions, predominantly affected the description of the theoretical base of culture in terms of its composition, impact and applications.

The metaphysical foundations of the concept of culture date back to 1690s. Edward B Taylor (1871) defined culture as "that complex whole which includes knowledge, beliefs, art, morals, law, customs and any other capabilities and habits acquired by man as a member of society." Several such definitions were raised by past anthropologists; however they lacked unanimity in terms of meanings, Characteristics, composition, action and study. More that 250 different definitions were put forward by Kroeber and Kluckhohn that included components like ideas, concepts, ideologies, values, attitudes, goals, norms, learned behaviors, symbols, rites, rituals, customs, habits, myths, and artifacts.

Anthropologists looked at culture through following two approaches. While the first referred generally to Taylor's 'Complex Whole' comprising...
everything culture contains, the other referred to the specific aspects of culture, such as, beliefs, myths, rites or artifacts. Anthropologists took five major approaches to study culture. These included cultural evolution, historical particularism, functionalism, cultural materialism, and cultural idealism131.

The first approach- cultural evolution- conceptualized culture as a complex whole. Historical particularism emphasized the historical nature of culture and its elements and considered culture particularistic with no unifying thread among its components. This included both super-organic (i.e. beyond individual's control) and psychological aspects. The functionalists were primarily involved in the study of how each part functions in relation to the system. The representatives of cultural materialism took a realistic approach to study observable behavior, interesting elements, and techno-environmental factors. The followers of cultural idealism approach focused on cognitive aspects into four different directions viz. psychological anthropology, structuralism, ethnography and symbolic anthropology. However, in all their approaches anthropologists made their focus on small-scale societies and conceptualized culture as a unique homogeneous configuration as a monolithic whole.

Contrary to that, the sociologists based their study on the macro perspective by taking less homogeneous or less monolithic view of the culture. They resorted to

More heterogeneous and pluralistic view of culture taking sub groups - e.g. teenagers, environmentalist etc. of the society into account. According to Lipp- a sociologist, "Culture may be thought of as a loose association of ideas as different themes, as different values, and as configurations of actions."132

In that way it can be said that different meanings were attributed to the term culture and it was differently perceived by not only anthropologists and sociologists but also by managerial and organizational theorists whose views on culture are covered in the following section.

131 Sackmann Sonja A., Cultural Knowledge in Organizations, Sage Publication, California, 1991
132 Lipp, W (1979) as quoted by Sackmann Sonja A. in Cultural knowledge in organizations, Sage Publication, California, 1991
Culture and Organizations

Managerial and organizational aspects of culture prevail over the anthropological: sociological ones, when the culture is perceived in terms of organizational dimension. Here, an attempt is made to study organizations as cultural settings. Since organizations accommodate different human beings similar as society does, therefore, human affairs within organization demands similar studies that affect organizational performance as well as human beings. The culture here is understood to have its impact in creating effective organizations.

Sonja A. Sackmann in her book "Cultural Knowledge in Organizations"133 refers to conceptions of culture from anthropology that has most influence on the managerial literature:

1. The pattern or configure list view
2. The manifestation oriented view including functionalism
3. An ideational or cognitive view including symbolism.

On the basis of the above classification, she discusses the following three broad perspective of culture that can be differentiated in the management literature as:

1. A holistic perspective
2. A variable perspective
3. A cognitive perspective.

The holistic perspective looks into culture as a one unified whole integrating cognitive, emotive, and behavioral and artifact related aspects of culture. It defines corporate culture as a general constellation of beliefs, mores, customs, values systems, behavioral norms, and way of doing businesses that are unique to each corporation and captures well and multifaceted nature of culture.

The variable perspective takes into focus expressions- that may take the form of verbal and physical behaviors or practices, of artifacts, and of their

133 Sackmann Sonja A. Cultural knowledge in organization, Sage Publication, California, 1991
underlying meanings. Culture is defined as "the way we do things" or as manifestation of behavior. It is considered important to infer apparently shared meanings from the study of culturally expressive activities, behaviors and material artifacts.

The cognitive perspective emphasizes on ideas, concepts, blue prints, beliefs, values or norms forming the core of culture. Culture, here, refers to what humans learn, what they have in their mind and not what they do or make. The knowledge secured thus provides standards for deciding what to do and how to do things. Schein's view of organizational culture conforms to this perspective that defines organizational culture as.134

"The pattern of basic assumptions that a given group has invented, discovered or developed in learning to cope with its problem of external adaptation and internal integration, and that have worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems ".

These three perspectives present three different emphases or orientations; however, with no clear-cut boundaries but overlaps.

DIMENSIONS OF ORGANIZATIONAL CULTURE

The present study that is based on the instrument of Professor Pankaj Kumar looks at organization culture having following dimensions:

A Humanistic/Helpful Culture:

This characterizes organizations that are managed in a participative and personal centered way. Members are expected to be supportive, constructive, and open in their dealings with one another.

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An Affiliative Culture:

This characterizes organizations that place a high priority on constructive interpersonal relationship. Members are expected to be friendly, open and sensitive to the satisfaction of their work group.

An Approval Culture

It describes organizations in which conflicts are avoided and interpersonal relationships are present at least superficially. Members feel that they should agree with, gain the approval of, and are liked by others.

A Conventional Culture

It is descriptive of organizations that are constructive, traditional and bureaucratically controlled. Members are expected to conform, follow the rules and make a good impression.

A Dependent Culture

It is descriptive of organizations that are hierarchically controlled and non-participative. Centralize decision making in such organizations leads members to do only that they are told and to clear all decisions with superiors.

An Avoidance Culture

It characterizes organizations that fail to reward success but nevertheless punish mistakes. This neglecting reward system leads members to shift their responsibilities to others and avoid any possibility of being blamed for a mistake.

An Oppositional Culture

It describes organizations in which confrontation prevails and negativism is rewarded. Members gain status and influence by being critical and thus are reinforced to oppose the ideas of others and to make safe (but ineffectual) decisions.
A Power Culture

It is descriptive of non-participative organization structured on the basis of the authority inherent in members' positions. Members believe they will be rewarded for taking charge, controlling subordinates and at the same time, being responsive to the demands of superiors.

A Competitive Culture

It is one in which winning is valued and members are rewarded for out performing one another. People in such organizations operate in a "win-lose" framework and believe they must work against (rather than with) their peers to be noticed.

A Competence/ Perfectionist Culture

It characterizes organizations in which perfectionism, persistence and hard work is valued. Members feel they must avoid all mistakes, keep track of every thing and work long hours to attain narrowly defined objectives.

An Achievement Culture

It characterizes organizations that do things well and value members who set and accomplish their goals. Members of these organizations set challenging but realistic goals, establish plans to reach these goals and pursue them with enthusiasm.

A Self-Actualization Culture

It characterizes organization that value creativity, quality over quantity and both task accomplishment and individual growth. Members of these organizations are encouraged to gain enjoyment from their work, develop themselves and take on new and interesting activities.
In another approach- according to Jerald Greenberg & Robert Baron- the System for categorizing varieties of Organizational Culture is known as Double S Cube. According to Double S Cube concept, Organizational Culture is characterized along the two independent dimensions; both of these dimensions begin with the letter S- i.e. Sociability and Solidarity. This cube identifies four types of Organizational Culture.

The Double 'S' Cube Fig. 1

The two types of dimensions when combined make up four types of Organizational Culture having both positive as well as negative qualities.

The Sociability Dimension:

This dimension pertains to a measure of friendliness among members within the organization. The new employees in the organization learn through socialization and a positive high magnitude here makes organization a closely knitted team of individuals where they work in highly cohesive teams. The positive side with high sociability dimension indicates that the employees are
friendly and creative. They work in teams to share information and welcome new ideas. On the other hand, the employees lying on the lower side of the dimension are interpreted as loners that do not like mixing up with others.

In contrast to the above, the employees in the high sociability dimension can instigate workers to form informal groups, which can adversely affect organizational effectiveness.

**The Solidarity Dimension:**

This dimension focuses on the extent to which coworkers share a common understanding of their organizations' tasks and goals (Jerald Greenberg, Robert A. Baron)135

The higher side indicates that the people work together in order to accomplish an agreed upon task, while the lower side indicates that groups do not have shared interests. The people lying farther on the positive side exhibit high solidarity, and work in a coordinated way to accomplish a great deal of task. The people lying on the negative side in this dimension can hurt the feelings of the new comers because the new comers are not considered part of the team.

**The four types of organizational cultures that originate from these two dimensions are:**

1. **Networked Culture**- In this type of culture people is highly sociable but low in solidarity.
2. **Mercenary Culture**- This organizational culture is characterized by a low degree of sociability and a high degree of solidarity.
3. **Fragmented Culture**- Here, the organizational culture is characterized by a low degree of sociability accompanied by a low degree of solidarity.
4. **Communal Culture**- In this type of culture people exhibits a high degree of sociability and a high degree of solidarity.

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135 Greenberg Jerald, Robert A. Baron, “Organizational Culture, Creativity and innovation. Behavior in Organization, pp. 514-545, Pushp Pin Services
LEVELS OF CULTURE: Edgar Schein in his book 'Organizational Culture and Leadership' has mentioned three levels of culture:

- Artifacts
- Values
- Basic Assumptions

Here, it becomes important to discuss these terms to gain better understanding of the term organizational culture. The descriptions can be lucidly made in the following terms:

ARTIFACTS: These are symbols of culture, which exist in the physical and social framework environment. The artifacts of culture are personal enactment, ceremonies and rites, stories, rituals and symbols.

Personal enactment: Personal enactment is understood by the examination of the behavior of the organizational members. It is that behavior which reflects organizational values. This level is the most visible part of an Organizational Culture. When an employee joins an Organization the first thing that is immediately visible to him or what he first notices are the artifacts. Artifacts also include sounds, smells, architecture behavior, attire, language, products and ceremonies.

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Edgar Schein's
Level of Organizational Culture
Fig. 2

ARTIFACTS
- Personal
- Enactment
- Ceremonies and Rites
- Stories
- Rituals

VALUES
- Testable in the physical environment
- Testable only by social consensus

BASIC ASSUMPTIONS
- Relationship to environment
- Nature of reality, time and space
- Nature of human nature
- Nature of human activity
- Nature of human relationships

Ceremonies and Rites:

Relatively elaborate sets of activities that are enacted time and again on important occasions are known as organizational ceremonies and rites\textsuperscript{138}. It is believed that the ceremonies and rites reward and recognize those employees whose behavior is in harmony (congruent) with the organizations' value.

Stories:

Stories are the most effective way to strengthen organizational values. Stories give a reflection about the organizations. The stories about boss, the stories about company deals etc, give positive or vice versa feedbacks to the listeners\textsuperscript{139}.

Rituals:

Rituals are the organizational practices that are always done in the fixed time and in the same way in the organizations.

Symbols:

Symbols communicate Organizational Culture through images or objects.

VALUES:

Values are the second major ingredient that pertains to the deeper level of culture. Values guide and tell an individual what they ought to do or what they ought not in various situations. As artifacts, values are not clearly visible. They are hard to be seen by a new comer, but can be very well learned and discovered. They reflect a person's underlying beliefs of what should be and or should not be. Values are often consciously articulated, in conversation or/and in a company's mission statement or/and in annual reports. However, there may be a difference


between a company's espoused values (what the members claim) and its enacted values (values reflected in a way the members actually behave)140.

**BASIC ASSUMPTIONS:**

This is the last level of Organizational Culture and is almost invisible to a newcomer. The difficulty in visibility of this level is such that even the older employees of the Organization are not consciously aware of basic assumptions of the Organization. The basic assumptions, like values, also guide the behavior and convey members of an organization how to perceive and think about things. According to Edgar Schien141- Assumptions is the essence of culture. Basic assumptions are developed over the history of the organization and are also developed from the ways organization handles different situations. As the basic assumptions are unconscious, and the older employees find them difficult to define to newer employees, they are learned by the newcomers as a result of trial and error behavior and by watching the reactions of older employees in the diverse situations.

**ORGANIZATIONAL CULTURE AND NATIONAL CULTURE**

The Organizational Culture is derived from National Culture. The beliefs and values that are practiced in the Organizations are a derived part of national culture from the host country; still the organizations have their own unique culture. The shared values and beliefs in one organization are not necessarily the same in the other organization. This is because- though the organizational culture is derived from the national culture, in general, but in an organization, it is further derived from the particular characteristic and experience unique to that organization. In the context of globalization, an organization derives the culture from the other nations too. The global environment and the concept of global village have brought tremendous changes in the organization culture and learning. It has brought about a vast change in the culture and learning of the organizations

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140 C. Argyris and D.A. Schon, (Organizational Learning – Reading, Mass: Addison Wesley, 1978)
that with this change the study of organization culture and learning has gained unprecedented weight.

The role of the study of organizational culture and learning cannot be overlooked because of the changes occurring in the organizational world. The increasing rate of change in the environment has improved the role of organization in the modern world. Here, it becomes necessary to look into the definitions once more keeping in view the foreign impact.

The concept of Organizational Culture has received increasing attention in recent years both from academicians and practitioners. Organizational Culture has been defined in various ways. NK Singh and Omita Paul in their book "Work Culture in India" have defined work culture as the "prevalent and common patterns of feeling and behavior in an Organization".

According to Tunstall, "Work Culture" is a general constellation of beliefs; mores, customs, value systems, behavior norms and ways of doing business that are unique to each corporation. A simple definition of Organizational Culture is "the way things are done around here."

Organizational Culture facilitates coordination and communication, gives the organization competitive advantage over its' competitors and distinguishes successful organizations from others. Culture in terms of managerial jargon usually refers to feel about the organization, the authority system, and the degree of employee involvement and commitment- the soft stuff.

Organizational Culture can be of four types: Autocratic (or feudal), Bureaucratic, Technocratic, and Entrepreneurial (organic or democratic). Autocratic or feudal culture is characterized by centralized power concentrated in a few persons, and observation of proper protocol in relation to the persons in power. Bureaucratic culture is characterized by primacy of procedures and rules hierarchy, and distant and impersonal relationship. Technocratic culture emphasizes technical / professional standards and improvement. Entrepreneurial culture is concerned about achievement of results and providing excellent services.

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142 Singh NK and Omita Paul, “Work Culture in India”, 1988, FORE Delhi, pp34
143 Tunstall, J. (1971), Journalists At Work (London: Constable)
to the customers. Researcher Jeffrey Sonnenfeld has identified the following four types of cultures:\(^\text{144}\):

**Academy Culture**-

Having highly skilled employees who are inclined to stay in the organization the organization on the other hand provides them a stable environment to develop and utilize their skills.

**Baseball Team Culture**-

The employees have high prized skills and work as free agents. These types of employees because of their high demand get jobs easily. This type of culture is mostly prominent in fast paced, high-risk organizations such as investment, banking, advertising etc.

**Club Culture**-

Internal promotions are core of this culture, seniority is valued. The essential prerequisite of this type of culture is to fit in a group. Example: military, law firms etc.

**Fortress Culture**-

Employees don't know if they'll be laid off or not. These organizations often undergo massive reorganization. There are many opportunities for those with timely, specialized skills. Examples are savings and loans, large car companies, etc.

**FUNCTIONS OF ORGANIZATIONAL CULTURE:**

Organizational Culture can have many functional effects on the Organizations and their management. The two major areas on which they contribute are

1. Adaptation to the Organization's external environment

\(^{144}\) [http://www.managementhelp.org/org_thry/culture/culture.htm#anchor1430559](http://www.managementhelp.org/org_thry/culture/culture.htm#anchor1430559)
2. Coordination of internal systems and processes

An organization that has effectively adapted to the external environment can build up culture with the consent of the members about the organization's mission. The culture will then include the specific goals derived from the mission and the means to arrive at these goals. If the consent about the mission is among the veteran employees then the organization will move efficiently toward these goals as the members have the consent about what needs to be done and how it is to be done. In short, an organization's culture can help its members develop a sense of Identity with the organization and a clear vision of the organization's direction. An organizational Culture that gives its members a clear vision of the organization's mission also presents a consistent image to its markets, customers, and clients.

Eventually this clear vision and consistent image can give the organization a competitive edge by edifying assurance to its product or services. In the developed Organizational Culture, there is a feeling of belongingness amongst the members of the organization. They have clear and agreed views about the measurement of the results and remedial action that is to be taken if something goes wrong. Veteran members know and almost act mechanically to deal with a particular situation, they are so well-equipped that they know what and where the things are going wrong and what action should be taken.

Organizational cultures also define the reward systems. Organizational Cultures differ in reward systems. Some Organizational cultures consider the whole Organization as a system and rewards on the basis of organizational performance whereas other organizations reward on the basis of individual performance.

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145 Schein, Organizational Culture, Part II.
Trice, H.M. and J.M. Beyer 1993; The Culture of Work Organizations; Englewood Cliffs, New Jersey: Prentice-Hall. Chapter 1
146 Alvesson and Berg. Corporate Culture, Chapter 7
147 Ibid
DIAGNOSING ORGANIZATIONAL CULTURE

For any organization to sustain over a long term, it is very important to diagnose the culture so as to adapt to the fast changing environment. It is further necessary to know about when the organization can continue its journey without any change in culture and when it ought to initiate the change. Organizations often fail in their change and improvement efforts because of their inability to bring about the cultural change. There have been education institutions and other business organizations that have dramatically improved their performance as a result of applying the processes and approaches necessary to introduce such change as a key part of their services. Though these approaches are not a mere panacea for all the organizational and managerial problems, yet these prescribe a set of tools and procedures that are helpful in assisting with cultural and personal changes in organizations.

The universities and private education institutions in India demand such a culture that helps in matching their personal style and capabilities with the demands of the professional world. By making a diagnosis of their own culture, the change agents can help organizations and guide their change efforts towards the development of a congenial culture. It has been well received that the culture change can foster dramatic improvement in organizational effectiveness, and at the same time, it can be the major obstacle that keeps organizations from fulfilling their objectives.

The present research work is an outcome of such a diagnosis where an assiduous effort has been made to diagnose the organizational culture in various professional educational institutions in the state of Punjab and Haryana. The dissertation, in its spread, describes at length about the findings and attempts to seek certain understanding regarding the state of affairs in such private and university owned professional education centers. Understanding Organizational Culture in these professional institutions has been given a prominent place owing to its main contribution in facilitating or inhibiting organizational improvement efforts. It has been discussed how culture change can
foster dramatic improvements in organizational effectiveness or can be the major obstacle that keeps organizations from fulfilling their objectives.

The instrument of Prof. Pankaj Kumar has been taken for diagnosing Organizational Culture. The instruments account for an overall organizational culture profile. The various dimensions of Organization Culture are assessed which are based upon a theoretical framework of how organizations work and the kinds of values upon which their culture have been founded. The instruments identify the current organizational culture that laid a path to the preferred culture or the future culture.

The questionnaire by Prof. Pankaj Kumar adopts a quantitative approach to measure cognitive sharing of values, norms, expectations, ideologies etc. by the members of organization. This Organizational Culture Measure is based on a configuration or circumplicial model of interpersonal and task related styles.

The Organizational Culture can be diagnosed from two perspectives (I) as an outsider and (ii) as an insider.

AS AN OUTSIDER:

The diagnosis of the environment can be done from outside as a potential employee and it will make one find out that whether the Organizational culture will be the one where one will like to work, whether one will get the opportunity to grow or will the organization demand more from one than one is ready to give willingly. Although one will not learn all the inner secrets of a culture, as one has not yet joined, one can find clues about what would he like to work for that organization (Deal and Kennedy 1982)\(^{149}\)

As an outsider, physical characteristics of the organization will be considered; the organizational culture can be judged by reading the company's annual reports. As an interviewee also the Organizational Culture can be perceived or some friend working in the organization can also help in diagnosing the culture.

AS AN INSIDER:

As an insider one is actually working within the organization; then the stories and anecdotes can be the best source in knowing the culture of that organization. Stories often describe organizational heroes. What did those heroes do? We pay close attention because a hero's action is likely to imply important values in the organization's culture (Deal and Kennedy 1982)\textsuperscript{150} an important factor in diagnosing organizational culture is to look for details. Details provide information of the organizational culture almost like a guide and this information has an impact on the performance of organizations.

CREATING, MAINTAINING, AND CHANGING ORGANIZATIONAL CULTURE

Managers of modern organizations regularly face three decisions about their organization's culture. They can decide to create a completely new culture, usually in a separate work unit or in a new organization. They can work at maintaining their existing organizational culture because they believe it is right for the environments they face. They can decide to change their culture to a new set of values, basic assumptions and ideologies\textsuperscript{151}

Creating Organizational Culture:

The organizational culture is said to be created when in creating a new Organizational Culture planned attempt is given to build a particular type of Organizational Culture.

Maintaining Organizational Culture:

Maintaining organizational Culture does not only mean following the existing culture but also considering the values that were successful in the past, and also considering whether these values will be successful in the present environment or not. Culture maintenance requires knowing the existing

\textsuperscript{150} ibid
\textsuperscript{151} Trice and Beyer, Cultures of Work Organizations, Chapters 9 and 10
organizational culture artifacts, values and ideologies. By maintaining their culture, managers want to maintain commitment of organization members to key parts of the culture152.

**Changing Organizational Culture:**

Changes in the situations require changes in the organizational culture. With the degree of globalization, workforce diversity, and technological innovation and due to mergers and acquisitions, the Organizational Culture needs a change. With the entry of expatriate in the organization the culture requires change to meet his needs and the organizational needs.

**B. ORGANIZATIONAL LEARNING**

**CONCEPTUAL FRAMEWORK:**

The concept of Organizational Learning has traditionally been used in the context of individuals. Recently the concept was extended to organizations, with a distinction being made between Organizational Learning (OL) and Individual Learning. Learning has generally been defined in empirical terms of change, or in normative terms of advancement of humanitarian concerns.

According to Edgar Schein, "Organizational Learning, development and planned change cannot be understood without considering culture as the primary source of resistance to change"153

Here the concept of OL is presented as a continuum from no learning (insensitive or closed to experiences and realities) to full learning (effective use of experiences for action). It also proposes mechanisms that are helpful in diagnosing OL systems and intervening to make them more effective. Furthermore, OL has been taken here as "the process by which an organization

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acquires, retains, and uses inputs for its development, and the process results in an enhanced capacity for continued self-learning and self-renewal".154

ELEMENTS OF ORGANIZATIONAL LEARNING

Organizational learning is a process, a continual series of interlinked activities producing several changes. It is not seen as a product, although OL results in the product. Organizational learning is the process by which the desires and needs of the members of the organization are understood and managed in such a way that the effectiveness of the Organization is boosted. Organizations are created by people to accomplish their Organizational goals that are jointly set by them. Learning is a natural part of culture and Organizations the reservoirs of knowledge. Learning tells the organizations whether to maintain or change the culture.

Organizational learning is the intentional use of learning processes at the individual, group, and system level to continuously transform the organization in a direction that is increasingly satisfying to its stakeholders (Dixon, 1994).155

DiBella and Nevis (1998)156 conclude that there are three different assumptions or perspectives about organizations and learning

- Normative - In this perspective Organizational Learning only takes place under a unique set of conditions, which are determined by the Organizational Management.

- Developmental - In this assumption, the learning organization represents a late stage of organization development, in that all organizations learn through a natural process of their respective histories of evolution.

- Capability- presumes that learning is innate to all organizations and that there is no one best way for all organizations to learn. The focus is not on

154 ibid
future vision of becoming a learning organization but on the learning processes that already exist.

One of the three main subsystems of OL is the process of acquiring an input and examining it. Examples of new inputs include new structure, new technology or any change introduced in the organization. This subsystem corresponds to the innovative phase of OL.

The second subsystem of OL is concerned with retaining the acquired input. Retention of an input depends on how well it is integrated in the organization. OL will be effective only if the new input becomes integrated with existing practices. This subsystem corresponds to the implementation phase of OL.

The third subsystem, which corresponds to the stabilization phase of OL, is concerned with using the new input whenever it is needed. Use also involves adapting the new input in light of the experience gained in its use.

Learning will result in increased capability of an organization to learn more on its own. Self-learning does not necessarily involve an outside stimulus or input. An organization may develop mechanisms for examining its experiences, retaining functional ways, and discontinuing dysfunctional ways of dealing with issues. The process of self-learning leads to self-renewal.

**MECHANISMS FOR ORGANIZATIONAL LEARNING**

The mechanisms for OL can be divided into five general areas. These provide a few examples of many specific actions that an organization can take to achieve the purpose. This definition has five main elements that are being described below.

1. Experimentation and Flexibility an organization needs to develop flexibility, and a positive attitude towards experimentation and trying out

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new ways to deal with issues and problems. The following mechanisms can be used to promote these altitudes:

- Invite experts and experienced and creative practitioners to share their ideas and experiences with selected members of the organization.
- Encourage employees to try out new ways of dealing with problems, even if these may not always succeed.
- Reward new approaches that are successful in solving a problem.
- Hold periodic meetings to share objectives, designs, and experiences of innovations and the result of experiments.
- Organize employee seminars on new developments.

2. Mutuality and Teamwork Organizational learning requires mutual support, mutual respect, and learning from one another, collaborative work, and effective teams to solve problems. Without teamwork, OL cannot be effective. The following are the examples of those that promote teamwork and mutuality:

- Share experiences, concerns and ideas with other organizations
- Set up task forces for implementing and monitoring new projects or experiments, for examining common elements between old practices and innovations, and following up on experiments.
- Hold periodic review meetings chaired by senior or top management. These meetings will not only enhance the importance of the innovation, but will also produce a collaborative relationship between top management and those responsible for implementing the change. The ideas of top managers and their support play a critical role in OL by promoting learning and preventing unlearning.
3. Contingency and Incremental Planning

The OL continuum varies from certitude and rigidity on one end to tentativeness and flexibility to other. A blueprint type of planning would appear on the rigid end and an incremental mode of planning would appear on the flexible end. The incremental or contingency approach to planning promotes OL, and the following mechanisms reflect this type of approach

- Prepare a detailed plan that reflects the contingency approach. Time-bound commitments may be prepared, but they should include alternative actions. Contingency planning helps the organization to recognize possible difficulties to take steps to prevent them, and to take alternative actions if they occur.
- Link new proposed practices with known ones. Learning is faster if the new inputs are seen as related to existing practices or ideas. If the new system is building on (rather than supplanting) the old system, threats to the members of the organization will be reduced.
- Maintain records of experiences. Effective planning requires continual review of, and learning from, experiences.
- Encourage various groups to prepare alternative forms of implementation. Modify the implementation plan if required by the experience.
- As in the first two general areas, invite experts and practitioners to share their ideas, arrange for employees to share their experiences, and create task forces.

4. Use of temporary system Temporary systems such as task groups or task forces, project groups, and problem identification teams are effective mechanisms to generate ideas and take quick action. The mechanisms mentioned earlier work well in this area: creating task forces for implementing the new input, monitoring new projects and experiments, examining common elements between old and new practices, and for
arranging review meetings chaired by top or senior management. Temporary systems have the number of advantages. These include the following:

- Members of inter-functional, interdepartmental, and inter-regional groups have diverse points of view.
- More people are exposed to members of other departments, regions, functional areas and so forth.
- The work is done faster because of the time-bound nature of the temporary system.
- The temporary groups provide more objective views of problems.
- More risks can be taken because the members of a temporary system do not have vested interests.
- There is more flexibility because temporary systems are not part of the organizational structure and can be created and dissolved according to needs.

5. Competency building to make OL effective, the organization must build resources that can be used when needed. Competency is the primary resource that needs to be built. Several mechanisms appropriate for competency building have already been mentioned: inviting experts to share ideas, arranging for employees to share experiences, and organizing employee seminars. Listed below are two other examples of mechanisms:

- Encourage employees to attend external training Programs.
- Utilize relevant existing skills for the implementation of change. The more existing skills are utilized, the more such competencies develop. Underutilized competencies become atrophied; they also discourage employees from acquiring new competencies because it is highly frustrating not to be able to use ones strengths.
Learning is relatively permanent change in behavior or behavioral tendency. We learn through our experiences and our observations. Learning takes place with the interaction of the person amid the environment. Learning influences individual behavior and performance through 3 elements of the MARS model. The MARS model is a useful model for understanding the drivers of individual behavior and performance. The four factors in MARS model that have a combined effect on individual performance are motivation, ability, role performance and situational factors. Learning influences the individual and performance through the three elements of MARS model158

When people join an Organization they acquire skills and knowledge through learning opportunities that they get within the organization. By these acquired knowledge and skills the employees gets competencies to perform task more effectively. A person who has mastery over certain specific skill or technical knowledge will not be successful in the long run until and unless he has the ability to learn

The learning behavior or learning patterns are different from one person to another. The two styles, which differentiate the learning pattern of one individual to another, are behavioral styles on the one end and brain dominance styles on another. As the individual learning styles are different so are the Organizational Learning styles. The basic learning styles are categorized by the researchers into four types.

1) **Competence Acquisition**: Organizations learning through competence acquisition develop fresh capabilities in their teams and individuals—capabilities which also include resources, processes and values. These types of Organizations exhibit public commitment to learning by incessantly looking for innovative ways to work.

2) **Experimentation**: These organizations welcome new ideas. They become the innovators in experimenting them and giving the market new processes and products.

158 Steven L. Mc Shane, Mary Ann Von Glinow, OB, Tata McGraw Hill Edition Pg-39
3) **Continuous Improvement:** These types of Organizations look after each step carefully before moving to the next step the reason for this is that they want to become leaders for particular product or process.

4) **Boundary Spanning:** These Organizations learn through their competitors. They benchmark their processes against competitors.

Researchers have found that, in general, companies that learn by experimentation are better able to compete and change than those that rely on the other learning methods. But it does not mean that experimentation is the best style or type of learning but in order to be an efficient and effective Organization the Organizations learning type should go with its culture.

The study of Organizational Learning is also of recent origin. It is the topic that came into vogue in 1990's. It is the topic of interest both for practitioners and academicians. In the highly competitive and vast market Organizational Learning can lead the organizations to the competitive advantage by acquiring new and necessary knowledge competencies and values. Many researchers argue that besides other factors organizational culture is one of the key factors of realizing successful organizational learning process.

Schein (1984) argues that Organizational Culture is the pattern of basic assumptions that organizations have developed in learning: therefore it can give effects to the quality of Organizational learning. The contributors in the literature of Organizational learning also accept that there is a close relationship between Organizational Learning and Organizational Culture.

Chris Argyris and Donald Schon (1978) defined Organizational Learning as: "the detection and correction of error". Fiol and Lyles later define learning as "the process of improving actions through better knowledge and understanding" (1985). Dodgson describes organizational learning as "the way firms build, supplement, and organize knowledge and routines around their

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160 Schein, EH; op.cit.
161 Argyris, C. & Schon, D.A.; op.cit
activities and within their cultures and adapt and develop organizational efficiency by improving the use of the broad skills of their workforces" (1993)\textsuperscript{163}. Huber\textsuperscript{164} states that learning occurs in an organization "if through its processing of information, the range of its [organization's] potential behaviors is changed" (1991).

Argyris and Schon (1978, 1996)\textsuperscript{165} divide Organizational-learning process into three types. One is single loop learning and the other is double loop learning. The third one is deuteron learning.

1) **Single-loop learning:** This type of learning takes place when the firms detect and correct the errors and then follow their present policies and goals. According to Dodgson (1993)\textsuperscript{166}, Single-loop learning can be equated to activities that add to the knowledge base or firm-specific competences or routines without altering the fundamental nature of the organization's activities. Single-loop learning has been referred as lower-level learning by Fiol and Lyles\textsuperscript{167} (1985), adaptive learning or coping by Senge\textsuperscript{168} (1990), non-strategic learning by Mason (1993)\textsuperscript{169}.

2) **Double-loop learning:** In this type of learning not only the errors are detected and corrected but the organization is also questioning and modifying the existing norms, procedures, and policies. Double-loop learning involves changing the organization's knowledge base or firm-specific competences or routines (Dodgson, 1993)\textsuperscript{170}.

Double-loop learning is also called higher-level learning by Fiol and Lyles\textsuperscript{171}, generative learning by Senge\textsuperscript{172}, and strategic learning by

\textsuperscript{163} Dodgson, M. 1993. Organizational learning: A review of some literatures; organization Studies, 14/3: 375-394
\textsuperscript{164} Huber, G.P. (1991) op.cit.
\textsuperscript{165} Argyris, C and Schon, DA; op.cit.
\textsuperscript{166} Dodgson, M. 1993; op.cit.
\textsuperscript{167} Fiol, MC and Lyles MA (1985) op.cit.
\textsuperscript{168} Senge, P. (1990), The fifth discipline, The Arts and Practice of learning organization century business, New york, NY
\textsuperscript{170} Dodgson, M 1993; ibid
\textsuperscript{171} Fiol, MC and Lyles, MA; ibid
Mason. Strategic learning is defined as "the process by which an organization makes sense of its environment in ways that broaden the range of objectives it can pursue or the range of resources and actions available to it for processing these objectives" (Mason, 1993: 843)173.

3) **Deuteron learning**: This type of learning takes place when the organizations learn to carry out single-loop and double-loop learning. The first two forms of learning will not occur if the organizations are not aware that learning must occur. Awareness of ignorance motivates learning process (Nevis et al., 1995)174. This means identifying the learning orientations or styles, and the processes and structures (facilitating factors) required to promote learning. Nevis et al., (1995) identify seven different learning styles and ten different facilitating factors that influence learning. For example, one of the facilitating factors is identifying the performance gap between targeted outcomes and actual performance. This awareness makes the organization recognize that learning needs to occur and that the appropriate environment and processes need to be created. This also means recognizing the fact that lengthy periods of positive feedback or good communication can block learning (Argyris, 1994)175.

Double-loop and Deuteron Learning are concerned with the why and how to change the organization while single-loop learning is concerned with accepting change without questioning underlying assumptions and core beliefs. Dodgson176 states that the type of organizational learning also depends on where the OL occurs. Thus, learning can occur in different functions of the organization such as research, development, design, engineering, manufacturing, marketing, administration, and sales.

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172 Senge P; ibid
173 Mason, RM 1993 op.cit
176 Dodgson. M. 1993; op.cit.
According to Dodgson (1993)\textsuperscript{177}, Fiol & Lyles (1985)\textsuperscript{178} organizational learning is the sum total of individual learning. Choo (1995)\textsuperscript{179} defines organizational learning synonymous with Organizational Intelligence and says that Organizational Learning process is a continuous cycle of activities that includes sensing the environment developing perceptions and generating meaning through interpretation, using memory about past experience to help perception, and taking action based on the interpretations developed.

Creating Learning Organizations in the Present Era

A conventional reactive organization can be changed into a persistent learner by enlarging the organizations Knowledge base and improving the approach knowledge is interpreted and is used. In this era of technological convergence dominated mainly by the information technology, Cook and Hunsaker (2001)\textsuperscript{180} illustrate four actions that can be taken in order to make an Organization learn. The actions are classified as Establishing a Learning Strategy, Redesigning Organizational Structure, Infusing Web based Information Systems and Modifying the Organizations culture.

1. Establishing a Learning Strategy:

   Management should make a strategy to learn. This includes a commitment to experimentation, a willingness to learn from experiences, and willingness to implement necessary changes in the spirit of continuous improvement.

2. Redesign Organizational Structure:

   The Organizational structure and level of hierarchy should be redesigned. Communication should be efficient and grapevines should be avoided. The competition level should be by passed by cooperation.

\textsuperscript{177} Dodgson, M. 1993; ibid
\textsuperscript{178} Fiol & Lyles; op.cit.
\textsuperscript{180} Cook W. Curtis, Phillip L. Hunsaker, Management of Organizational Behavior McGraw Hill Irwin, 2001, 528-559
3. Infuse Web-Based Information Systems:

Enterprise resource Planning (ERP) systems are software packages (such as SAP-R3, or People Soft) that integrate all facets of a business, including manufacturing, accounting, procurement, human resources and sales. ERP and other integrative software is increasingly web based and they are designed so that any one needing real-time information can access them. With the help of the ERP and integrated software the information is accessed when needed and this makes learning more effective and prompt as this also helps the individuals to analyze situations and take more learned decisions.

4. Modify The Organization's Culture: Organizational Culture facilitates Learning and learning best takes place in the Organizational Culture, which has an open space for growth, openness, trust and risk taking.

LEVELS OF ORGANIZATIONAL LEARNING

Marquardt (1996) defines three levels of learning that have to take place in order for organizational learning to occur:

- **Individual** - refers to the change of skills, insights, knowledge, attitudes, and values acquired by a person through self-study, technology-based instruction, insight, and observation.

- **Group/Team** - alludes to the increase in knowledge, skills, and competency that is accomplished by and within groups.

- **Organization** - represents the enhanced intellectual and productive capability gained through corporate wide commitment and opportunity for continuous improvement. Organizational learning occurs through the shared insights, knowledge, and mental models and builds on past knowledge and experience. This knowledge and experience is recorded in the organizational memory.

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COMPONENTS OF ORGANIZATIONAL LEARNING

According to Marquardt there are four key components of an organization's subsystem that make up a learning organization:

- **Culture** - refers to the values, beliefs, practices, rituals, and customs of an organization. It helps to shape organizational behavior and perceptions.
- **Vision** - captures a company's hopes, goals, and direction for the future.
- **Strategy** - relates to the action plans, methodologies, tactics, and steps that are employed to reach a company's vision and goals.
- **Structure** - includes the departments, levels, and configurations of the company.

In order for Organizational Learning to occur, all these components must be aligned with the organization's goals and vision. It is imperative that the Organizational Culture reflects and promotes principles of Organizational Learning and encourages responsible risk taking.

RISK-TAKING AND LEARNING

Learning organizations take bold, brave steps to encourage as many people as possible to take risks, innovate, and get out of the habit of waiting for instructions. They understand that risks are necessary for achievement. Failure can enhance learning, adaptation to changing environmental conditions, and systemic resilience when confronting unknown future changes (Sitkin, 1988)182. Mistakes are not only allowed, but valued.

Principles of Organizational Learning

The following is a list of Peter Senge’s six key principles of organizational learning as quoted by Marquardt183:

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182 Sitkin, S. (1988); Learning through Failure. Research in Organizational Behavior. 14
183 Marquardt, MJ (1996); Building the learning organization; McGraw-Hill, New York
1. **Systems thinking** - represents a conceptual framework one uses to make full patterns clearer, and to help one see how to change them effectively.

2. **Mental models** - are the deeply ingrained assumptions that influence how we understand the world and how we take action. For example, our mental model or image of learning or work or patriotism impacts how we relate and act in situations where those concepts are operating.

3. **Personal mastery** - indicates the high level of proficiency in a subject or skill area. It requires a commitment to lifelong learning so as to develop an expertise or special, enjoyed proficiency in whatever one does in the organization.

4. **Team learning** - (the skill, not the level as described above) focuses on the process of aligning and developing the capacity of a team to create the learning and results its members truly desire.

5. **Shared vision** - involves the skill of unearthing shared pictures of future that foster genuine commitment and enrolment rather than compliance.

6. **Dialogue** - denotes the high level of listening and communication between people. It requires the free and creative exploration of subtle issues, a deep listening to one another, and suspension of one’s own views. The discipline of dialogue involves learning how to recognize the patterns of interaction in teams that promote or undermine learning.

Perhaps the most important characteristic in creating organizational change is establishing and practicing effective dialogue. Through dialogue, operational norms, common language, and systems of clarification are established.
Peter Senge in *The Fifth Discipline* defines learning organizations as those that continually enhance their capacity to create the results they really care about. This is accomplished by paying attention to three key areas:

1. Shared Vision and a common sense of purpose - able to clearly articulate the vision
2. Common language for communicating information within the organization - productive conversations to make the results happen
3. Understanding of organizational dynamics and complex business processes - tools and thinking to manage the complexities involved

If an organization is serious about developing its ability to create its own future, there must be a way to develop a critical mass of people at the competent level in the desired knowledge areas. This requires an organizational awareness of its level of learning and the development of a learning plan to move forward. Part of the learning plan is the identification of available internal training resources and acquiring outside resources when needed.

**FIVE STAGES OF LEARNING**

As learning takes place, an individual (or organization) goes through five stages of learning. Without an understanding of the stages of learning, a manager may think that more than enough time and resources have been spent training someone and are then disappointed when the level of knowledge is less than desired. Or worse, the subject area being trained, if new, is discarded as being without merit because results are expected too soon. The five stages of learning are being described as follows:

1. **Novice** - This stage pertains to start beginning awareness of subject area, but only abstract concepts and ideas. Novices possess little or no ability to put ideas into practice in a reliable way. They apply their learning by following a set of rules without regard for context.

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• Situation decomposition - needs elements to be clearly and objectively defined
• Decision making behavior - follows rules without consideration of context
• Exercising judgment – none
• Skills & tools - exposed and aware and able to apply if directed
• Formal training time - 2 to 5 days
• Training with practice - 1 to 2 months

2. **Advanced Beginner** - This stage pertains to secure marginal learning to an acceptable performance level after gaining experience coping with real experiences. Start to understand the scope of the subject area and acknowledge their lack of knowledge about the discipline. Able to apply tools, processes, and principles in contexts that are similar to well-defined cases they have studied. Following set of rules apply:
  • Situation decomposition - perceives similarity with prior examples
  • Decision making behavior - matches situation to proper rule set
  • Exercising judgment – none
  • Skills & tools - recognizes and applies in structured settings
  • Formal training time - 5 to 10 days
  • Training with practice - 3 to 6 months

3. **Competent** - This stage pertains to secure exposure to and a working knowledge of a number of knowledge areas making up the subject. New skills and capabilities are being internalized with the ability to go beyond rule-bound procedures in a highly structured setting. Able to adapt their learning to different situations by analyzing changed circumstances and selecting among viable alternative. This stage is characterized by the following indicators:
  • Situation decomposition - considers various alternatives
  • Decision making behavior - analytical determination of best alternative
• Exercising judgment - consciously considers the value of alternative outcomes
• Skills & tools - internalized and applied in more unstructured settings
• Formal training time - 20 to 30 days
• Training with practice - 12 to 18 months

4. Proficient - This stage portrays organizations gained from experience in diverse situations. Tools and concepts have been internalized and can be applied to a variety of situations without great effort. They have an intuitive, holistic grasp of a situation without having to decompose the problem prior to determining a solution. The indicators are:
  • Situation decomposition - internalized, now intuitive
  • Decision making behavior - focuses on choice that best achieves intuitive plan
  • Exercising judgment - moves quickly based on previous experience
  • Skills & tools - intuitive and applies consciously in all settings
  • Formal training time - as needed to address specific issues that may arise
  • Training with practice - 1 to 3 years

5. Expert - This stage describes organizations to fully internalize both perception and action into their normal work processes. When things are going normally, all work is routine, doing "just what works." Reaching this stage involves a close relationship with another expert where additional learning is gained through continued exposure, observation, conversation and other interaction. The stages indicates:
  • Situation decomposition - internalized, now intuitive
  • Decision making behavior - acts in an unconscious, automatic manner
  • Exercising judgment - unconsciously does what normally works
Skills & tools - intuitive and applies unconsciously in all settings
Formal training time - informal through interaction with other experts
Training with practice - 5 to 10 years

To understand about the learning organization it becomes imperative to know about the Organizational change. Too often change is seen by employees as disruptive and ill conceived because of this many efforts fail to meet the objectives. With the globalization and changing patterns of consumerism the changing business environment the organizations have become more efficient and competitive. Organizational learning is claimed to manage change in a timely and effective way.

India is a country, which has capable and efficient human resource therefore it, becomes imperative to manage this human resource and this is only possible by providing them high quality professional education. The quality education ensures moral and social commitment. It is here the role of professional institutes becomes the most important. Professional Education is the foundation of a civilized society. Without proper professional education society becomes like a rudderless boat. Professional Education not only imparts knowledge but also helps in knowing the practicalities of the aspects required to be successful. Professional Education must aim at improving the interpersonal skills and over all development of a student and the organizational culture and learning are the two edges of it. As the students of management, it helps in learning and managing things and happenings around us and in our localities, and later on it can also help in the development of the country as the professional education makes more responsible citizens of tomorrow. The effective Organizational Culture can create, develop, modernize and strengthen any organization, during the present investigation private institutions of the Punjab and Haryana and few professional institutes affiliated to these universities were studied to know the current status. Professional education has witnessed a drastic change in the present century. The change that these institutes are witnessing is solely found in the culture and
learning aspects of the Organization as a result the role and dynamics of human resource in professional institutes is also changing. Culture is seen as the personality of the organization, is comprised of assumptions, values, norms and tangible signs (artifacts) of organization members and their behaviors. Culture is a difficult term to explain explicitly but is a term that is understood by everybody. For example, the culture of a large, profit organization is quite different from that of the non-profit organization, which is solely interested in the social welfare of the community. The culture can not only be viewed by the tangible aspects of the organization but by the intangible aspects like behavior of the employees their overall working, structure, artifacts, assumptions, norms and values.

The world is changing and the economy is changing with a rapid rate. This change is in a way affecting the professional institutes also. The culture here plays a very important role in managing this organization wide change. Organizational change is not only the change that is occurring in the structure, processes, and plans but in the overall system.

Human resource is playing a vital role in the managing the organization wide change. Professional institutes are dynamically facing the change. The objective of these institutes is to make the knowledge working. Knowledge working in the sense that to manage their mental skills by themselves.