CHAPTER ONE

INTRODUCTION
Chapter I

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1.1 Rationale:
Banking in India was defined under Section 5(A) as "any company which transacts banking, business" and the purpose of banking business defined under Section 5(B),"accepting deposits of money from public for the purpose of lending or investing, repayable on demand through cheque/draft or otherwise". In the process of doing the above-mentioned primary functions, they are also permitted to do other types of business referred to as Utility Services for their customers (Banking Regulation Act, 1949).

Since 1991 the economy has witnessed fundamental changes-the rise of private sector, abolition of controls, deregulation, globalization, disintermediation, the emergence of middle class and upper middle class, the emergence of young and tech savvy professionals with substantial incomes, etc. Consequently fundamental changes in competition, technology and customer expectations took place in the banking arena. Foreign and private sector banks with their superiority in technology and systems posed a stiff challenge to the traditional public sector (nationalized) banks in India. In addition there had been many changes in the delivery systems of products and services of the Bank.

Previously bankers were operated in the world of beneficially regulated markets and comfortable cartels which restricted competition, reduced risk and virtually guaranteed attractive profits (Middleton, 1994). But the present world of bank has been ruptured by major three forces

1) Deregulation – abolishing regulatory barrier and allowing non-bank financial institution, thereby creating competition.
2) Technology - Technology has opened up new options for product and delivery. At the same time changes in technology mean that the cost of wrong decisions as per obsolete systems as well as inflexibility in operation.

3) Growing customer sophistication – undermined many of traditional assumptions about stable relationships and profitability that banks have come to expect.

Under these circumstances, continuous change process reflects dynamicity, as well as uncertainty and in general any organization dances with the rhythm of present environment to adapt with these for survival. During condition of surplus of its any subsystems, it supplies subsidies by readjusting the demand from other sub-system.

In case of banking system if it also continues to adapt to environment then ultimately its progress become stagnant. It is therefore realized that proactive nature of a system of a bank is the stance, need to deliberate selection of its own operating environment, conscious planning of its strategies for functioning and internal design.

In the changing process, growth of banking system is to move from one level of technological, economical and human competences to the higher or different level. This change energizes the capacity of the system of a bank relatively better from its previous condition. This situation demands the necessity for identification of needs of the banking system to visualize the future plan and objectives accordingly, so that the levels of all the factors for their system i.e. technological, economical and human competences generate an appropriate growth for creation of a balanced condition which is possible by the creation and maintenance of positive environment or in other words creation and maintenance of an appropriate mindset of the organization. To change the banking system needs to change the organizational mindset so that all the organizational members become happy, comfortable and spontaneous to move forward for the development of the banking system.

Sometime in the initial phase of the implementation of such change, resistance to change seems very high because uncertainties and insecurities of certain people in the organization. The reason behind this is of the fact that formers are unable or unwilling to learn. In the language of Rampersad (2003), 'generally we hear this reaction in
organizations that are non-learning organization. Change entails moving from one equilibrium point to another equilibrium point. To do this a new field of forces must be established to support the new behavior (French & Bell, 1997). According to Paton & McCalman, (2008), there is however a general trend, not only at the organizational level, but also at the level of society at large, to realize the full potential of the working community. From human resource perspective, one might argue that there is nothing new in such a notion; however, the realization of such an ideal in practice requires nothing less than a cultural revolution. It can be said that it gives the birth of an organizational culture which is capable of “learning how to learn together” (Argyris and Schon, 1978) and is capable of innovation and self renewal and to be committed. It becomes more effective by crossing the periphery of the present boundary of survival – looking and moving towards further, towards growth and development. According to Revans (1982), if learning is not equal to the rate of change, the organization is falling behind, and slowly dying. So the organizational learning is needed to be greater than or equal to the rate of change for the organization to survive, to grow and to develop.

In this context Leeladhar (2005) indicated that the Indian banks demands following changes for it is survival:

1) Consolidation of different independent functions like crediting function, depositing function etc.

2) Traditional concepts relating to competition from other players in the same line of business exist but there is a competition from hitherto unexplored and unanticipated areas. According to him it creates need for:

- Business process Re engineering
- Addressing the issue of Human Relations in a computerized environment especially from the point of Human Relation Development.
- Sharing of technological experiences and expertise so as to get the benefit of technological implementation across a wider community.
- An effective security policy, which would offer a vision of how control in workplace should be implemented with the objective of protecting data.
Such a situation demand a mindset focused with commitment towards the organization, acceptance of change with ability to think and verify rationally, opening the limits of creative urges, mutual learning and helping each others, and creation of a learning climate for team development.

It demands the culture of learning organization to anticipate and react to changing external and competitive environments in a positive and proactive manner. Realizing the significance and consequences of the Learning Organization, the present researcher was interested to study the nature and characteristics of the Learning Organization in Indian banks, and has reviewed the relevant scientific literature in this context which has been presented in the following section.

1.2 An Overview of Early research Perspectives and Theoretical Concepts of Learning Organization

The concept of a learning organization is not new. A number of initiatives and models have been developed to guide organizations to an enhanced level of effectiveness that can be translated into competitive advantage. Learning organizations with its roots firmly in the 1990s can be seen as a precursor to, or at least a contributing factor to, the development of many other 'routes' to corporate success and survival, such as the knowledge or artful worker, knowledge management approaches, innovation and creativity based business solutions, and services science and innovation (Paton & McCalman, 2008).

Robert Garret was the first author who used the term “Learning Organization” in 1987 when he tried to integrate the different management concept under one entity (Morgan, 2006). According to Garret (1987), top managers were in charge of ‘brainless organization’, ‘an unthinking machine which was doomed to a long and painful death as it became estranged from its environment and knowledge, goodwill and commitment of its workforce’.
In trying to develop a relationship between the learning organizations, organizational development and the management of change for a banking system one can identify three key linkages:

- The concept of a learning organization is increasingly relevant as banking system seek to deal with complex environments.
- It is a natural evolution from earlier forms of training and development as banking system evolve new behaviours and structures.
- It harnesses the belief that humans are designed for learning.

1.2.1 Early Research Perspectives

The early reference of the concept of and issues on learning organization were mainly streamlined after 60's on the basis of the learning cycle (Kolb cycle) developed by David Kolb (1976), where Kolb tried to represent the process of individual learning. However, he described how this can be adapted for organizational learning. He recommended the development of teams that incorporate the specific skills required at each phase. Supporting the idea of learning from experience, Heijden and Eden (1994) suggested that understanding and consensus of organizational experience are the pre-conditioned for organizational learning.

In worth to this concept Argyris and Schien, (1978) described three levels of learning that may occur at organization:

1. **Single Loop learning**: It focuses on how to improve the status quo. It narrows the gaps between desired and actual condition through incremental change.

2. **Double Loop Learning**: It is generative learning, aimed at changing the status quo; members learn how to change the existing assumptions and conditions within which single-loop learning operates and create new ways of looking at the world.
3. **Deuteron Learning**: This is learning how to learn. Learning is directed at the learning process itself and seeks to improve both single and double loop learning.

Supporting the concept of Smith (1982), Johnson (1998) tried to explain that in learning organization the most important concept was that “learning how to learn together” encompasses both the elusiveness and importance of learning how to learn in organizational context. He referred the work of Smith (1982) “Learning how to learn involves possessing or acquiring, the knowledge and skill to learn effectively in whatever learning situation one encounters”.

In the mean time Nonaka and Takeuchi (1991) distinguished between organizational learning and knowledge creation, insisting that the former is an assimilation of existing knowledge and latter constitutes ‘breakthrough thinking’ which leads to new knowledge and innovation.

During this period, Heijden and Eden (1994) and Argyris and Schien (1996), suggested that learning will only occur when the results of organizational enquiry are different from expectation, which triggers further thought, reflection and challenges the current ‘theory-in-use’. Where Nevis et al (1995) concluded that awareness of ignorance motivates learning.

In this context, Fulmer (1996) in reviewing the work of Argyris and Schien argued that single loop learning was related to shock learning, a response to crisis involving little creativity or challenges, to develop thinking. Conversely, anticipatory learning is more akin to double loop and deuteron loop learning in that it is participatory, future oriented and long term in its outlook. Where Rhodes (1996), remarked that organizational learning is a total change to the organizational culture, – ‘where one person’s learning is a force for socialization of the other organizational members’.

Jhonson (1998) in his study mentioned the different theoretical views and Brown (1998) highlighted that learning organization promotes consistency, co-ordination and control, reduces uncertainty and enhances motivation.
Study of University of Luton (2001) highlighted organizational learning is a transformational process which seeks to help organization development and use knowledge to change and improved them on an ongoing basis.

Highlighting the attitudes, tasks and skills (norms) of a learning organization, Rampersad (2003) in his study tried to explain that certain cultural pattern helps to develop a learning organization.

In recent study Senge (2006), remarked that there is a need for meaningful, open conversations and developing the capabilities for conversation is not easy, but essential if learning is to take place by challenging deeply held assumptions. In line with the above mentioned studies many researchers have framed theoretical models in order to explain the functional attributes of learning organization.

1.2.2 Models of Learning Organization

Many models on learning organization have been formed in order to explain the organization’s learning process. Some of the significant models are presented here.

1.2.2.1 Learning organization model by Garret (1987):
In Garret’s learning organization model leaders, the ‘business brain’ play the central role of integrator of information flows coming from double-loop (the external environment / policy loop and the internal environment / operations loop), synthesizing those flows and “allow learning and development through adaptation to change of the whole”
1.2.2.2 Learning organization model by Senge (1990):

Senge suggested learning organization is founded on five disciplines:

1. **Personal Mastery**: Essential to the process is building self-awareness and understanding personal strength and weakness.

2. **Mental Models**: Allows individual to unearth the assumption and generalization that influence their understanding of the world and shape how action is taken.

3. **Building Shared Vision**: The vision is created collectively to realize the vision that fosters genuine commitment.

4. **Team Learning**: Individual share and transmit own thoughts and learning for the betterment and maintaining balance of knowledge for all the members of the team.

5. **System Thinking**: A business organization is a complex system with many subsystems and applying systems thinking means viewing each function as part of the larger system rather than as a collection of isolated tasks.

Gersick (1991) identified, shared mental models are one of the main sources of inertia unless the managers are open to revision that can seriously limit an organization’s ability to adapt and change.

1.2.2.3 Learning organization model by Nonaka and Takeuchi (1991):

The Nonaka and Takeuchi’s model depicts five requirements for knowledge creation in learning organization:

1. **Organizational Intention**: Identified in the organization’s cohesiveness in strategic vision, which should be sufficiently broad to allow room for interpretation.

2. **Autonomy**: All employees should be trusted to act independently. Team should be encouraged to pursue innovation even when they challenge conventional wisdom.
3. **Fluctuation and Creative Chaos**: It refers to the sense of urgency to stimulate efforts to generate breakthrough thinking.

4. **Redundancy**: Intentional overlapping of information more widely and accelerate the knowledge creation process.

5. **Requisite Variety**: The creation of environments which facilitate the sharing of diverse perspective and a variety of information.

### 1.2.2.4 Learning organization model by Garvin (1993):

The Garvin model attempts to address:

1. **Systematic problem solving**: A scientific method rather than guesswork, building on data and using statistical tools to organize data and draw inference.

2. **Experimentation**: The systematic searching for and testing of a new knowledge, a scientific method akin to the problem solving techniques.

3. **Learning from past experience**: The companies must review their successes and failures systematically and record in an open and accessible form.

4. **Learning from others**: Powerful insights can be gained from looking outside one’s immediate environment.

5. **Transferring knowledge**: Ideas carry maximum impact when they are shared through tailored made medium to meet the needs of the audience.

The conceptual framework for the present study was significantly relevant with the concept of the most popular model proposed by Senege (1990). From this model it was found that learning organization is a one of the intervention of Organizational Development where organizational culture is going to be modified and it would obey the principal of individual differences in terms of innovation, commitment and learning behaviour styles etc and phenomena also vary under changes of circumstances with major climate of the organization and variation of work team for banking system.
1.2.3 Definition(s)

The development of early concepts by the researchers on learning organization had indicated that the investigators had gradually shifted from learning organization as a global construct, inherently either person or situation towards viewing them as multidimensional construct that are part of person situation interaction. Accordingly in order to understand the concept of learning organization for its application in scientific investigation the following definitions and set of characteristics seem to be highly meaningful and useful by the present author.

‘The learning organization is an ideal, towards which organizations have to evolve in order to be able to respond to the various pressures’ (Finger and Brand, 1999). Hence, learning organization are the vision for organizational development.

Focusing on synergy, Marquardt and Reynolds (1994) defined, ‘learning organization is such where learning is accomplished by the organization system as a whole rather than by individual members of the system’.

In the same line of thought Watkins and Marsick (1993) defined, ‘one that learns continuously and transforms itself. Learning takes place in individuals, teams, the organization, and even the communities with which the organization interacts’.

McGill et al. (1992) emphasized on flow of information and strategic thrust as ‘a company that can respond to new information by altering the very "programming" by which information is processed and evaluated.’

In Ginsberge (1990) word, ‘learning organization is the synthesis of diverse set of assumptions or beliefs into commonly shared understanding which is identical in a sense with culture as far it is defined by the different learner’.

Senege (1990) focused on the role of individual and of organization, ‘where people continuously expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning how to learn together’. ‘It is shared
insights, knowledge and mental models that build on past knowledge and memory’ (Strata 1988) i.e. organizational culture.

**Levitt and March** (1988) defined learning organization as ‘encoding of inferences from history into routes that guide current behaviour’. It means learning from past, learning through experience and its utilization for organizational development.

The analysis of definitions and models indicated that the researchers have tried to conceptualize learning organization in terms of few perspectives. In this regard it has been seen that either it is totally or partially explaining human behaviour in context to an organization or about organization system itself. It was found that learning organization depends on:


6. **Commitment and involvement of the members of organization** (Senege 1990, Nonaka and Takeuchi 1991).
1.2.4 Characteristics of Learning Organization

On the basis of above attributes and models, following characteristics and components of learning organization have been identified:

1. Learning organization is a **subjective phenomenon** (Levitt and March, 1988; Strata, 1988; Senege, 1990; Nonaka Takeuchi, 1991; finger & Brand 1999)


3. Learning organization is an **individualistic outlook**, in terms of the personality disposition, demographic characteristics, leadership qualities etc (Garret, 1987; Ginsberge, 1990).

4. Learning organization is a **management strategy for change management** (McGill et al, 1992; Arvedson, 1993; Garvin, 1993; Luton, 2001; Paton & McCalman, 2008;)

5. Learning organization may result into **positive outcomes** like self efficacy, accomplishment, positive competition, achievement, facilities etc (Garret, 1987; Senege. 1990; Watkins and Marsick, 1993; Morgan, 2006)

1.2.5 Components of Learning Organization

Review indicated that there are variety of approaches to the definition and description of the dimension of learning organization. These different approaches have emerged from different conceptualization of the relevant characteristics and outcome of learning organization. The characteristics of learning organization are summerised by
Senege (1990), Pedler et al (1991), Brown (1998), Rampersad (2002) and in Atleadership (2006). Broadly the components of learning organization are emerged from the following:

1. **Organization Structure**: The structure that enhances opportunities for employee involvement and development in organization to adapt with the change, empower to make relevant decision, support team work, strong lateral relations, informal sharing (Senge, 1990; Nonaka Takeuchi, 1991, etc).

2. **Information System**: Sharing and use for double and deuteron loop learning for effective knowledge management not for controlling of knowledge and information but for empowering people. Consider boundary workers as environmental scanners (Senge, 1990; Garvin, 1993, etc).

3. **Human Resource Practice**: Organization should become a platform for individuals, rather than individuals becoming resources for organizations. Provision and support individual learning. Creating conditions whereby people are willing to apply their knowledge, share and intensively exchange it with each other. Appraise and reward for compatible performances of a learning company (Senge, 1990; Nonaka Takeuchi. 1991; Garvin, 1993, etc)

4. **Leadership**: Working with teams where teams think and act from a synergetic perspective, and are well coordinated, with a feeling of unity, openness, risk taking, empathy and support. Having leaders who coach, help, inspire, motivate and stimulate, are action oriented, and constantly evaluate processes based on performance measures (Garret, 1987; Senege, 1990; Garvin, 1993; Watkins and Marsick, 1993; Morgan, 2006, etc).

5. **Organizational Culture**: culture that promotes openness, creativity and experimentation among members. Encourage members to acquire, process and share information, to nurture innovation and provide the freedom to try new things, to risk failure and to learn from mistake. Continuous identification of new
way of sharing learning. Developing and accepting self knowledge regarding their own favourite learning style and the ones of other team members. Using images, metaphors and intuitions to share and exchange implicit knowledge. Stimulating informal employee contacts. Driving out fear and mistrust from the organization (Strata, 1988; Senege, 1990; Garvin, 1993, etc).

So as whole, a learning organization means the existence of Holistic Frame of work, Strategic Thinking, Shared Vision, Empowering organization’s members, Flow of Information all over the organization, rational way of utilization of emotion, Learning and Synergy (Parek, 2002).

1.3 Learning Organization and Assumptions on Selected Personal and Situational Variables

On the basis of the discussion of various concepts, models and definitions it was found that there were large number of variables those may be related with the development of learning organization.

Dimension of learning organization at an individual level is a function of individual learning style, assessment of self, systematic problem solving skills, personal goal settings, communication skills, innovativeness, leadership skills and styles, commitment towards organization, self renewal, risk taking ability, etc. Along with these attributes, the demographic and job characteristics in terms of educational level, tenure of service, task variety, career stage, professional skill and specialty, act as a moderator for effective dimension of learning organization.

Previous studies highlighted that favourable climate of work environment, group cohesiveness or team effectiveness, appropriate leadership styles, effective utilization of all categories of employees, participative decision making, information sharing, empowering, reward flexibility, learning from all, etc have directly or indirectly influencing and in turns are influenced by development of learning organization.
Along with this preconditions, dimension of learning organization are moderated by psychological factors (commitment, motivation etc) and demographic characteristics (age, education, tenure of services, professional skills etc.).

In this present study, selected organizational and personal attributes were considered by the researcher for the following reasons:

In the evolution of the banks as learning organization, these move from primal to rational phase, where commitment to the profession outweighs that to the organization (Pedler et al, 1991, Garratt, 1994).

It is also seen that learning organization leads to bureaucratic crisis and increasing alienation from both customers and fellow members of the organization (Paton & McCalman, 2008) which is possible to overcome through team cohesiveness.

The models and visions of learning organizations presented here stress on proactive approach to learning, creation of new experiences and practicing through innovative work behaviour to challenge the status quo, and a culture which create such a climate where continuous experimentation and risk taking behaviours are encouraged (Pedler et al, 1991; Senge, 1990).

It is apparent that there is no best way to approach the development of superior learning behaviour styles in organizations, though it is assumed that members will work to learn in collaboration (Rampersad, 2002) with other members of the organization.

Hence, to find out the relevancy with learning organization, organizational variable – organizational climate and team cohesiveness and person related variables – innovative work behaviour, commitment and learning behaviour styles were considered to check the relevancy for banking system.

The following sub section described the concept of Organizational and Personal variables.
1.4 Description of Variables (Organizational and Personal)

1.4.1 Organizational Variables:

1.4.1.1 Organizational Climate:

Learning organization is the mindset or outlook and there organizational climate profoundly influence on outlook, well being and attitudes of organizational members and thus, on the total performance. It provides a useful platform for understanding such characteristics of organizations, as stability, creativity and innovation, communication and effectiveness etc (Kumar, 2000).

Initially, researchers commented that the concept of climate was of little value because of its redundancy with job satisfaction (Guion, 1973; Johannesson, 1973). Subsequent research substantiated a distinction between these two constructs, defining climate perceptions as employees' descriptions of their organizational culture (learning culture), whereas job satisfaction refers to employees' evaluations of those perceptions (James & Jones, 1974; LaFollette & Sims, 1975; Payne, Fineman, & Wall, 1976; Schneider & Snyder, 1975).

Organizational climate may have either a subjective or objective focus (Parker, Baltes, Young, Huff, Altmann, Lacost and Roberts 2003). From a subjective perspective organizational climate is an aggregated molar construct, reflecting the sense-making processes (Weick, 1995) by which group members' collectively understand and share their experiences of organizational events for organizational learning. Such interpretations are properties of a social collective in that they are inextricably linked to employee interaction processes (Ashforth, 1985; Rentsch, 1990; Schneider & Reichers, 1983; Young & Parker, 1999). From an objective perspective, organizational climate is a property of the organization itself and represents employees' descriptions of an area of strategic focus or organizational functioning such as customer service (Schneider & Bowen, 1985; Schneider, Wheeler, & Cox, 1992; Schneider, White, & Paul, 1998), innovation (Abbey & Dickson, 1983), transfer of training (Tracey, Tannenbaum, & Kavanaugh, 1995), or safety (Zohar, 2000), like some of the characteristics of a learning organization. Climate factors may
determine certain outcomes and can be manipulated to facilitate transforming organization to learning organization (Field and Abelson, 1982).

The climate for workplace learning refers to how much individuals feel that the organization encourages or discourages workplace learning and its norms in practice, which govern their feelings (Khandwalla, 1989). Without a supportive climate, there can be no learning organization and effective organizational learning (Rothwell, 2002). The contributory factors are quality of leadership, trust, communication, responsibility and opportunity (Srivastava, 2005). Sackmann (2011), suggested that climate of the learning organization is such where managers and employees started to take initiative and charge to further development of the area of responsibilities.

In explaining culture, climate and learning organization, Mumford (1993), wrote that the concept of organization as a learning system, which encourages learning not just through formal management development processes but by its whole rationale and approach to work. Effectiveness of customer oriented organization depends on the opportunity for informal interaction between employees and customer to gain the required knowledge which is the key element for a learning organization climate (Murrillo et al, 2002).

It is “creating an environment where the behaviours and practices involved in continuous development are actively encouraged” Mumford (1993), even where an organization with a low learning culture will learn from errors (Keith and Erese, 2011).

1.4.1.2 Team Cohesiveness:

The importance of teams was first realized by the results of the famous Hawthorne studies in the 1930s. However, it was McGregor (1960) who gave special attention to teams (Pareek, 2002). Likert (1961) during the same period focused attention on teams as important elements of humanization of organizations, more specifically in the learning organization.
The approaches to organizational learning Senge (1990) focuses on the development of shared mental models that provide a basis for effective action. According to Hayes (2008), these shared mental models for team work furnish organizations with a conceptual framework for perceiving and interpreting new information and for determining how stored information can be related to any given situation. They persist over time, despite changes in organizational membership. This implies that learning organizations have collective memories that are not wholly dependent on the knowledge stored in the minds of current members.

In line with these, Daft and Weick (1984) emphasized the concept of collective learning. While they recognize that it is individuals who send and receive information and in other ways carry out the interpretation process. Individuals come and go, but there is an order and regularity in the way that organizational members continue to respond.

Douglas (1986) also accepted that in changing scenario much of the learning that goes on in an individual’s head is influenced by what other organizational members know and by the kinds of information present in the organizational environment. She referred that to this process as the ‘squeezing of each others’ idea into a common shape. Daft and Lane (2010) added that in any informal team anyone who is capable and willing can assume a leadership role. Formal leadership act as a coaches and members show trust in others, remove barriers to learning.

March (1991) supported this view. He presented that learning in organizations as a mutual process that leads to a convergence between organizational and individual’s beliefs. Edmondson (2002) supported this view and considered that positive role of team learning in learning organization. Thus, over time, the organization’s mental model affects the beliefs of individuals while it is being affected by those beliefs.

In this way it is obvious that to adopt and to win over the present situation organization needs to convert itself into learning organization and where an important role of team and its cohesiveness for the effectiveness of the organization exist.
1.4.2 Personal Variables

1.4.2.1 Innovative Work Behaviour:

China in manufacturing and India in service sector and R&D has already established their leading innovative role. (The Economist, 2004). In India as the human resource development has considered as an important criterion for development therefore with the background of innovativeness Indian organizations try to develop learning organization where people will practice innovative work behaviour.

Besides products variety, increasingly customers are demanding better value. It doesn’t mean low prices; effective possible way is innovation (Meyer & Garg, 2005). Implementation of innovative process is extremely valid in case of banking system, where apart from price / profit competition, customers give importance to the process of dealing, time duration for completion of job, user friendly communication system etc.

Bunce and West (1989) and West (1989) suggested that innovative work behaviour serves as a problem focused coping strategy used by workers to cope with intensified task requirement (Burke and Belcourt, 1974; Lazarus, 1996; Parasuraman and Hansen, 1987) when organization is perceived as learning organization.

Obstacles which inhibit creativity are: negativity in individuals and in teams, fear of failure, lack of quality thinking time and experience to draw from, over-conformance with rules and regulations, a lack of freedom to develop, making assumptions that are not necessarily true, applying too much logic and not listening to the depth of mind, thinking that I am not a creative (Thomas 2005). So, in a learning organization a team demands a balanced composition of adapters and innovators (Kirton, 1984). The scope of innovation in learning organization ranges from the development and implementation of new ideas that have an impact on theories, practices or products across the whole organization (Axtell et al 2000). According to Chesbrough (2006), moving ideas in and out of the company can motivate the company to get its ideas faster to market, either inside your own business or outside through the business of others. Faster to market means faster feedback from the market and hence faster learning within the organization.
1.4.2.2 Organizational Commitment:

In the different approaches of learning organization it has been seen that one of the key features of learning organizations is expressed by the term autonomy (Nonaka and Takeuchi, 1991), mental models, personal mastery (Senge, 1990), of which the employee commitment is the prerequisites or vice versa.

"Commitment in an learning organization is viewed as a partisan, affective attachment to the goals and values of an organization, to one's role in relation to goals and values, and to the organization for its own sake, apart from its purely instrumental worth" (Buchanan, 1974). This process of accepting organizational goals and values and integrating them into a system of personal goals and values is viewed by all researchers as individual identification with learning organization.

A variety of definitions and measures of organizational commitment have been set forth (Meyer & Allen, 1984; Morrow, 1983; Mowday et al., 1982). According to Meyer and Allen (1984), commitment to an organization may develop because employees' investments in the organization, such as seniority and benefits, make leaving too costly. They called this phenomenon continuance commitment. A second type of commitment, affective commitment, suggests that employees are committed to and remain with an organization because of an emotional attachment to it and identification with its goals. It is the perception of trust that influences commitment of people to think about themselves as the members of a learning organization (Rupel & Harrington, 2000).

The conceptualization of commitment was founded by Wiener, (1982), that work behavior may be determined not only by calculative-instrumental processes, but also by normative pressures such as personal moral standards (Fritz et al, 1999). Such internalized pressures, once established, exert stable, long term influences on behavior that are independent of situational circumstances or linkages with rewards or punishments. On the practical level, the learning organization must be able to define explicitly their own value system, to get members to accept it and driving hard (Friedman et al, 2003) and to attract potential members with compatible value systems and who also believe in the value of loyalty and duty.
1.4.2.3 Learning Behaviour Styles:

Learning organization is basically a learner-centered activity where human resources are considered as learner and as such holds considerable prospects for supporting meaningful knowledge acquisition and learning. According to Wilson (1981, 1998) the study of learning behaviour style is most fruitful when it seeks to form an understanding of learner in the context of work and organizational life and they become more contribution in learning style (Yazici, 2005).

In addition to that, Adema (2000) in his qualitative study found that learning style can be changed according to context and learning organization dimensions.

Learning within a positive instructional environment holds strong prospects for knowledge acquisition that is built for use rather than imitative reproduction in the artificial educational setting. Specific abilities, styles and individual cognitive attributes such as approaches to studying can be an important factor in influencing specific tasks along (Ford, et al, 2003). A better understanding of the link, connections and interactions between specific cognitive styles, learning styles, abilities and particular tasks of information searching in learning organization, need to be established.

In learning organization where members require interacting and have shared mental model (Senge, 1990), there may have three basic ways a learner can interact with each other as they learn. They can work individualistically, competitively and as well as cooperatively (Deutsch, 1962; Johnson and Johnson, 1993). Cooperation is working together to accomplish shared goals. When a situation is structured competitively, individuals work against each other to achieve a goal that only one or a few can attain. When a situation is structured individualistically, each individual perceives that he or she can reach his or her goal regardless of whether other individuals attain or do not attain their goals (Johnson and Johnson, 1989). There may be mixed results about the influence of various learning approaches / styles of the learner on their activities.
1.5 An Overview of Assumptions and Emerging Needs of Studies

Acknowledging the role of learning organization for facilitating the effectiveness of organization, researchers had tried to explore the theoretical models (Senege 1990, Watkins and Marsick 1993, Nonaka and Takeuchi 1991) and methodologies (Cognitive – Bhatnagar, 2006, behavioural – McCrackn, 2006, case study – Blackman and Henderson, 2005, action research– Rampersad, 2002) that could examine the nature of learning organization and to specify the related personal and situational variables which have either facilitated or inhibited the learning organization and its related outcomes.

In the context model of learning organization indicated psychological variables (Senege, 1990; Garvin 1993); role related (Garret, 1987), environmental or situational variables (Pedler et al, 1991) etc as influencing variable on learning organization.

Earlier researchers indicated that measurement techniques of learning organization profile have been approached either, as the contextual forces acting on the organization (Rampersad, 2002) or, the cultural changes (Rhodes, 1996) of the organization.

Over recent decades, not only that a large number of studies indicated the impact of situational attributes (Senege 1990, Ginsberge 1990, Watkins and Marsick 1993, Garvin 1993) viz, team behaviour, organizational culture, system thinking, intention of organization, etc and personal attributes (Rupel & Harrighton, 2000; Adema, 2000, Meyer& Garg, 2005; Friedman et al, 2003; Yazici, 2005; etc) viz, styles of learning, innovativeness, leadership styles, commitment, etc of the organizational members but few studies have also focused on interactive effects of these attributes in promoting learning organization among different organization.

Considering the degree of importance and relevance of certain attributes in developing learning organization in Bank, the present researcher has concentrated her attention towards relevant scientific literature, empirical studies and data based facts, for the elected organizational and personal attributes in the banking system which have been presented in the next chapter (chapter two).