
Dr. Dileep Kumar M.*

Effect of Learning Organisation and Organisational Effectiveness: Study with specific Reference to IT Sector

Abstract

In the 21 century businesses build organizational structures not only with the responsibilities, hierarchy and process flows but also with the organization's mindset, attitudes, perceptions, the quality of products, the ways in which decisions are made, and hundreds of other factors. The Learning Organization is a concept that is becoming an increasingly widespread philosophy in modern companies, from the largest multinationals to the smallest ventures. Many consultants and organizations have recognized the commercial significance of organizational learning – and the notion of the 'learning organization' has been a central orienting point in this. This particular research tries to understand how far the learning organization environment supports the organization, especially in IT (information technology) Sector in their journey towards organizational effectiveness and business success.

Introduction

In the era of growing market competition every organization that wants to grow rapidly must ensure that their employees' attitude towards work and the work culture are improving. The literature predominantly focuses on providing best practices and models in order for consultants and managers to intervene indicate that Learning Organisation Approach is one of the best ways that ensure Organisational Effectiveness and Development. A learning organization is described as one that is able to inspire commitment, and cultivate a culture of discovering and acquiring knowledge and experience for continued growth, development and success. A learning organization is a non-threatening, empowering culture where leadership, management, and the workforce focus on continuously developing organizational competence. The goal of learning is increased innovation, effectiveness, and performance. Many pro-argument towards Learning Organisation indicates that within today's turbulent environments, only learning organizations are able to survive and thus gain competitive advantage (e.g., Garvin,

* Director- Corporate and Public Relations Professor Management Studies, Acharya Institute of Management and Sciences
I Cross, I Stage, Peenya, Bangalore – 560058

1993; Marquardt, 1996; Pedler, Burgoyne, & Boydell, 1991; Senge, 1990; Swieringa & Wierdsma, 1993). Learning organization is widely used in many applications (Batorski, 1999; Miller, 1998; Nogalski, 1998, etc.). The purpose of this study is to establish through an extensive study of the literature available and the empirical observation, how far the Learning Organisation approach support organizations (IT firms) in Organisational Effectiveness. .

Organizational Learning and Learning Organization

It was in the late 1980s that a new terminology the "learning organization" emerged. This was first proposed by Pedler, Boydell, and Burgoyne (1989), and was then popularized by Senge (1990) with his book *"The Fifth Discipline: The Art and Practice of the Learning Organization."* With the introduction of this terminology, some researchers began to use the term organizational learning and learning organization interchangeably (e.g., Boje, 1994; Crossan & Guatto, 1996; Crossan et al., 1999; Kim, 1993; Rahim, 2002), whilst others chose to differentiate between the two streams (e.g., Garvin, 1993; Senge, 1990; Watkins & Marsick, 1996).

Organizational Learning

McGill et. al., (1992), define Organizational Learning as "the ability of an organization to gain insight and understanding from experience through experimentation, observation, analysis, and a willingness to examine both successes and failures."

Huber (1991) "considers four constructs as integrally linked to organizational learning: knowledge acquisition, information distribution, information interpretation, and organizational memory."

Day, (1994), states that "organizational learning is comprised of the following processes: Open-minded inquiry, informed interpretation, and accessible memory."

Hodgkinson, (2000), indicates that organizational learning is identified, for the purpose of this paper, as the coming together of individuals to enable them to support and encourage one another's learning, which will in the longer term be of benefit to the organization.

Learning Organization

Peter Senge (1990) did extensive research on this subject and he first developed five disciplines, which he thinks are essential for a learning organization and should be encouraged at all times. These are:

Team Learning – teams, not individuals, are the fundamental learning units. The learning ability of the group becomes greater than the learning ability of any individual in the group.

Shared Visions – To create a shared vision, large numbers of people within the organization must draft it, empowering them to create a single image of the future. With a shared vision, people will do things because they want to, not because they have to.

Mental Models – Each individual has an internal image of the world. If team members can constructively challenge each other's ideas and assumptions, they can begin to perceive their mental models, and to change these to create a shared mental model for the team. This is important, as the individual's mental model will control what they think can or cannot be done.

Personal Mastery – Personal mastery is the process of continually clarifying and deepening an individual's personal vision. This develops self-esteem and creates the confidence to tackle new challenges.

Senge (1990), states that "Learning organizations [are] organizations where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together".

Garvin's model (1993) – the three

M's: Garvin's model suggests that learning organisations develop by agreeing on a meaning of learning, then purposefully measuring and managing their learning. He proposes that the organisation needs to establish **Meaning** by adopting a well grounded, easy to apply definition of a learning organisation...Garvin proposes that movement from learning organisation theory to practice happens firstly through employing **Management** strategies, which provide clearer operational guidelines for practice. In particular, Garvin believes that learning organisations manage learning by becoming skilled at five main activities:

- Systematic problem solving
- Experimentation with new approaches
- Learning from past experience
- Learning from the best practice of others
- Transferring knowledge quickly and efficiently throughout the organisation.

Measurement, according to Garvin (1993), is the key to moving from learning organisation theory to making it a reality. Measurement tools such as learning audits help to identify the impact of organisational learning, and focus learning management strategies. Learning audits measure the extent to which the organisation exhibits behaviours that typify learning.

Conceptualizations of the learning organizations

Kerka, (1995), indicates that "most conceptualizations of the learning organizations seem to work on the assumption that 'learning is valuable, continuous, and most effective when shared and that every experience is an opportunity to learn". The following characteristics appear in some form in the more popular conceptions.

Learning organizations:

- ♦ Provide continuous learning opportunities.

- ♦ Use learning to reach their goals.
- ♦ Link individual performance with organizational performance.
- ♦ Foster inquiry and dialogue, making it safe for people to share openly and take risks.
- ♦ Embrace creative tension as a source of energy and renewal.
- ♦ Are continuously aware of and interact with their environment. (Kerka, 1995),

Learning Company

Pedler *et. al.*, (1991), here in this context indicates that "the Learning Company is a vision of what might be possible. It is not brought about simply by training individuals; it can only happen as a result of learning at the whole organization level. Learning Company is an organization that facilitates the learning of all its members and continuously transforms itself."

Senge, (1990), indicates that learning organizations are: " ...organizations where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together. "

Kline, (1995), indicates that "specific characteristics of a 'learning enterprises' culture include participative decision making process; courage; observation and communication; creativity, perfecting, innovations; motivation; error handling; mutual assistance, employee activity in implementing improvements."

Garvin, (1993) states that "learning organizations are not built overnight. Most successful examples are the products of carefully cultivated attitudes, commitments, and management processes that have accrued slowly and steadily over time."

Organisational Effectiveness

According to Cameron & Whetton, (1983), "Organisational effectiveness has been

commonly defined as the extent to which an organization accomplishes its goals or mission".

Cameron & Quinn, (1999), indicates that "the criteria of effectiveness most highly valued in a hierarchical organization are efficiency, timeliness, smooth functioning, and predictability".

Literature Review

Sidor-Rz¹dkowska, (1998), indicates that "in a learning organization, all, regardless of age, education, position, are involved in the process of continuous acquisition of new skills and sharing knowledge, and constant search for new and creative solutions becomes a natural method of conduct."

Batorski, (1999); Miller, (1998); Nogalski, (1998), indicates that "in the era of the growing market competition, every organization that wants to grow rapidly must ensure that their employees' qualifications are improving. In order to stay on the market and be competitive, it is necessary to have well prepared, motivated and educated personnel, who can accomplish the company's goals without problems. Learning organization is widely used in many applications".

Orr, (1990), indicates that "learning often occurs in organizations from the ground up, without strategic intervention from senior management. Workers learn through experience and reflecting on their work practice, and share ideas and stories among colleagues."

IvergaÚ rd (2000), identifies the lack of cohesion between learning initiatives in different subsystems of an organization as a major problem, and argues that these separate endeavors need to be interfaced, but cannot be turned into a unified structure. Numerous factors can affect the complexity of the integration process, including the relationship between staff and leaders.

Damodaran and Olphert, (2000), report that "strategic organizational initiatives aimed at improving workplace learning and

professional development need to have both top-level support and the local support of teams and individuals. To receive top-level support, the initiative needs to be seen as cost effective, delivering value for the organization, and meeting important problems or challenges. For individual and team support, the initiative has to be seen as providing tools, methods and skills that help workers to develop and get their job done. From the knowledge management literature, case studies have identified a lack of both high-and low-level support as reasons why initiatives have failed."

Schon, (1983), indicates that "learning by the individuals triggered by a breakdown—when the knowledge that a worker uses and applies during their professional duties produces an unexpected outcome. This requires the worker to reflect on their performance, a process refers to as reflection-in-action. This involves reframing the problem—viewing the problem from a different perspective. This allows them to reflect on their actions, question their assumptions and reshape their activity, whilst in the process of their everyday work".

The theoretical grounding for this research is the Watkins and Marsick conceptualization of the learning organization (1993, 1996.) For Watkins and Marsick, a learning organization is "one that learns continuously and transforms itself...Learning is a continuous, strategically used process – integrated with and running parallel to work" (1996). The foundation of the Watkins and Marsick perspective is based upon seven complementary action imperatives that "they have identified that characterize organizations journeying toward this goal: (1) create continuous learning opportunities; (2) promote inquiry and dialogue; (3) encourage collaboration and team learning; (4) Establish systems to capture and share learning; (5) empower people toward a collective vision; (6) connect the organization to its environment; and, (7) use leaders who model and support learning at the individual, team, and organizational levels."

Learning Organisation and Effectiveness

Slater and Narver, (1995), argue that "learning facilitates behaviour change that leads to improved performance. In explaining this, Slater and Narver (1995) state that organisational learning should lead to superior outcomes, such as superior new product success, customer retention, superior growth, and/or profitability, through its ability to focus on understanding and satisfying the expressed and latent needs of customers, through new products, services and ways of doing business" (Day 1994; Dickson 1992; Sinkula 1994).

Sinkula, Baker and Noordewier, (1997) argue that "cultivating a learning culture may indeed become one of the primary means to attain and maintain a competitive advantage". Sinkula, Baker and Noordewier, (1997), also argue that "the success of the learning activities should be addressed by performance measures (Hamel & Prahalad 1994; Stata 1992). In a recent paper, Baker and Sinkula (1999) find that a learning orientation is significantly related to business performance."

Farrell, (2004), study on learning organization indicates that, "a learning orientation has a stronger positive relationship with business performance, than did a market orientation. Simply put, this finding provides further support for the arguments that organisational learning may be the only source of sustainable competitive advantage (DeGeus 1988; Dickson 1992; Slater & Narver 1995), and that organisational learning may be the key to future organisational success (Lukas, Hult & Ferrell 1996)."

Learning Organization and Adaptability

As Senge, (1990), remarks that "the rate at which organizations learn may become the only sustainable source of competitive advantage. In an era of globalization, companies that learn and that use this learning to shape new structures, processes, and systems are better able to thrive and prosper. Organizations that cannot adapt face the down fall."

According to David Horton, Brian Duggan Adriana Hess (2005), indicates that "Learning organizations are more likely to embrace processes of systematic problem solving, and to focus on creating new ideas and solutions to optimize outcomes, versus the more traditional approach of trial and Learning Organization Focus on Problem- Solving Innovative Thinking Open Communication Adaptable / Flexible to Change. Knowledge sharing error or committing to approaches that have worked in the past. A typical learning organization will learn from past experiences and history, but utilize that experience to pursue more enlightened and future directed outcomes. The flexibility and adaptability inherent to a learning organization is driven by the rapid and efficient internal transfer of knowledge."

Learning Organisation and Innovation

The concept of a learning organization is an idealized model of coping with organizational change (Starkey, 1996; Redding, 1997). This approach "engages employees' hearts and minds in a continuous, harmonious, productive change, designed to achieve results they genuinely care about, and that the organizations stakeholders want" (Nayak, Garvin, Maira & Bragar 1995). The process of building a learning organization unleashes individual creativity, and fosters collective learning, which is crucial for encouraging, and developing innovation and rapid responsiveness to global competition (Millett 1998).

Li-Fen Liao, (2006), study on 254 firms indicates that sharing knowledge and firm innovation are the crucial ways to sustain competitive advantage. This study builds a nested model to test the relationship between learning organization, knowledge-sharing behavior, and firm innovation. Data gathered from 254 employees were used to examine the relationship of the learning organization to employees' knowledge-sharing behavior and firm innovation. The results indicate that open-mindedness, shared vision and trust have positive effects on both knowledge-sharing behavior and firm innovation.

Learning Organisation and Flexibility

Karash, (1994 – 98), states "learning organization an organization that learns and encourages learning among its people. It promotes exchange of information between employees hence creating a more knowledgeable workforce. This produces a very flexible organization where people will accept and adapt to new ideas and changes through a shared vision."

Black, (1997), "at whatever stage organizations are in their development, whether they are learning organizations or not, change is taking place rapidly, both in a structural and global sense, and to cope with these changes they need the flexibility and adaptability that only employees can sustain. Organizations need employees who feel part of the organization just as much as employees need organizations that they can feel part of. Organizations, therefore, need to put in place a framework where everyone can participate, and contribute to growth, survival and success. We need that framework to unveil the unique blend of creativity, energy and ideas that organizations possess, but which often lays dormant and unused in the minds of their employees.

Rationale of the study

Organizations are varied in their approach towards ensuring Organisational effectiveness thorough their manpower. Especially IT firms, which envisage more creativity and innovation in their field of system designing and implementation. The concepts of 'learning capability,' organizational learning,' and the 'learning organization' have become the focus of considerable attention in firms across sectors. Recent studies have begun to establish a research base that examines the dimensionality of the concept of the learning

organization (Watkins, Yang & Marsick, 1997; Yang, Atkins & Marsick, 1998). However, if firms are to create learning organizations by focusing on the implementation of practices and processes that promote learning at the individual, team, and organizational levels, the linkages to improved organizational effectiveness must be more firmly established. Indeed, companies have been urged to 'improve the market orientation of their business' (Jaworski & Kohli 1993). However, there is an argument emerging that being market-oriented may not be enough, and that the ability of an organisation to learn faster than competitors may be the only source of sustainable competitive advantage (DeGeus 1988; Dickson 1992; Slater & Narver 1995). Indeed, Lukas, Hult and Ferrell (1996) argue that 'organizational learning is considered by many scholars as a key to future organizational successes. Though many studies has been conducted to establish the relationship between Organisational Learning Climate and Organisational Effectiveness, only a few study made it sector focused. Hence a study on Learning Organisation Climate is imperative to understand its influence on Organisation Effectiveness. This particular study thus focuses on "Effect of Learning Organisation on Organisational effectiveness, in IT sector.

Statement of the Problem

This particular research tries to study **"Effect of Learning Organisation and Organisational Effectiveness: A Study with Specific Reference to IT Sector".**

Objectives

This study has been designed to investigate the relationships as well as the contribution of emotional intelligence on Organizational Effectiveness in the Indian context. It has the following objectives:

Population and Design of study

Sampling		LEVEL		TOTAL (N)
		Lower level	Middle level	
IT Organisations Private Sector	Organisation 1	10	10	20
	Organisation 2	10	10	20
	Organisation 3	10	10	20
	Organisation 4	10	10	20
	Organisation 5	10	10	20
TOTAL				100

1. To analyze the influence of Learning Organisation on Organizational Effectiveness
2. To investigate the relationships between Learning Organisation and Organizational Effectiveness.
3. To understand socio-demographic variations in Learning Organisation on Organizational Effectiveness.
4. To suggest adequate measures to help the managers to improve Organisational Effectiveness through Learning Organisation Climate.
3. Socio demographic variables significantly influence Organisational Effectiveness.

Population and Design of study

The IT firms who are having below 100 managers, considered for the research. 13 IT firms were approached for the assessment of Learning Organisation Climate. The assessment is done through the instrument DOLQ (Dimensions of Organisational Learning Questionnaire). Out of 13 IT firms 5 firms clearly showed the characteristics of Learning Organisation. Hence, the population selected for this particular study includes managers of five IT firms, in private sector, to analyze its impact on Organisational Effectiveness. Further the study considered only the male managers who belong to middle and lower level positions in the firms. The research follows descriptive study design as its plan of action.

Research Design

This study employed the topic specific tools based questionnaire research methodology. The study follows descriptive study design as its plan of action.

Hypotheses

It tests the following hypotheses:

1. Learning organisation will significantly influences the Organizational Effectiveness.
2. There is significant relationship between Learning Organisation and Organisational Effectiveness.

Sampling

Table.1 Shows Sector, Organisation and Management Level in sample

The population selected for this particular study includes managers of five IT firms; in private sector. Here, study followed proportionate probabilistic sampling size method to arrive at representative sample size. The study considered 100 male managers. 20 managers are selected from each organisation to arrive at the representative sample size. The study considered both lower and middle level managers. From each organisation 10 managers from lower level and the remaining 10 managers' from middle level were considered. Those managers who are having 0-4, 5-9 and 10-14 years of service are further considered.

Tool of data collection

Tool 1: Dimensions of Organisational Learning Questionnaire:

The DLOQ instrument (Watkins and Marsick, 1993, 1996) was used for this study. The questionnaire consists of seven items, viz., (1) create continuous learning opportunities (CCLO); (2) promote inquiry and dialogue (PID); (3) encourage collaboration and team learning (ECTL); (4) Establish systems to capture and share learning (ESCSL); (5) empower people toward a collective vision (EPTCV); (6) connect the organization to its environment (COE); and, (7) use leaders who model and support learning at the individual, team, and organizational levels (ULITO). The seven dimensions in the Watkins

and Marsick instrument are measured by 43 items. Previous research using this instrument has been conducted by Watkins, Yang and Marsick (1997), Yang, Watkins and Marsick (1998), and Yang, Watkins and Marsick (1999). Accordingly, several stages of empirical research have assessed the psychometric properties of the DLOQ. These analyses suggest that the seven dimensions have acceptable reliability estimates (Coefficient Alpha ranges from .75 to .85). The seven factor structure was also found to fit the empirical data reasonably well (Yang, Watkins and Marsick, 1998).

Tool 2: Organisational Effectiveness Instrument

Organisational Effectiveness was measured using the scale developed by Mott (1972). The scale consisted of dimensions such as efficiency, flexibility, adaptability and innovation. The Cronbach Alpha of the scale was 0.88. All the items of the scale were measured on a five point Likert scale.

Analysis and Results

The data collected was analyzed by using SPSS 13 version. The results of the study were analyzed on the basis of descriptive statistics, regressions and correlations.

The hypothesis H1 was "Learning Organisation will significantly influence the Organizational Effectiveness." To test this hypothesis, simple regression was done.

Table 2: Learning Organisation influence Organizational Effectiveness

Learning Organisation and Organizational Effectiveness					
Independent Variable				R - Squared	F
Dependent Variable	Learning Organisation				
	β	SEB	Beta		
Organisational Effectiveness	0.29	0.04	0.32 (5.7)	0.10	35.3
Note: * p < 0.01					

Organisational Learning	Organizational Effectiveness			
	Effectiveness	Flexibility	Adaptation	Innovation
CCLO	0.440 (**)	0.421 (**)	0.403 (**)	0.431 (**)
PID	0.422 (**)	0.432 (**)	0.408 (**)	0.444 (**)
ECTL	0.428 (**)	0.400 (**)	0.411 (**)	0.471 (**)
ESCSL	0.444 (**)	0.422 (**)	0.454 (*)	0.462 (**)
EPTCV	0.461 (*)	0.409 (**)	0.451 (**)	0.446 (**)
COE	0.431 (**)	0.408 (*)	0.421 (**)	0.456 (**)
ULITO	0.410 (**)	0.433 (**)	0.463 (*)	0.453 (*)

Learning Organisation and Organizational Effectiveness		
	Learning Organisation	Organizational Effectiveness
Learning Organisation	1	0.669 (**)
Organizational Effectiveness	0.669 (**)	1
** Significant at 0.01		

Learning Organisation. Thus, the Hypothesis (H1) that "Learning Organisation will significantly influence the Organizational Effectiveness" is accepted.

Table 3: Correlation: Learning Organisation influence on Organizational Effectiveness

The table (table no. 3) clearly indicates that there is positive correlation (significant at the 0.01 level) exists between Independent Variable Learning Organisation and Dependent Variable Organizational Effectiveness.

Table 4: Correlation between Learning Organisation and Organizational Effectiveness

The second Hypothesis (H2) indicates that there is significant relation between Independent variable Learning Organisation and Dependent variable Organizational

Effectiveness. The table (table no. 4) clearly indicates that except for a few cases (significant at 0.05 level) there is positive correlation (significant at the 0.01 level) exists between most of the sub variables of Independent Variable Learning Organisation and the sub variables of Dependent Variable Organizational Effectiveness. Positive correlation of 0.461, 0.408, 0.454 and 0.453 (significant at the 0.05 level) exists between *EPTCV* (empower people toward a collective vision) and Effectiveness; *COE* (connect the organization to its environment) and Flexibility; *ESCSL* (encourage collaboration and team learning) and Adaptation; and *ULITO* (use leaders who model and support learning at the individual, team, and organizational levels) and Innovation. Thus to a large extent, the second hypothesis is acceptable.

The socio demographic variables like years of service, education, marital status and

hobbies found insignificant in this research. The years of service and Nature of Work (Positions) further didn't have any moderating effect on the stress. Hence the study rejects the third hypothesis (H3) formulated in this research viz., Socio demographic variables significantly influence Organisational Effectiveness.

Discussion

Major objective of the present research were to explore the relationship between Learning Organization and Organizational Effectiveness and analyze the significant influence of Learning Organization on Organizational Effectiveness. The study has shown positive correlation between Learning Organization and Organizational Effectiveness at 0.01 level. Learning Organization has shown a significant impact on Organizational Effectiveness. The study is in line with the previous researches conducted by eminent authors like Garvin, (1993); Marquardt, (1996); Pedler, Burgoyne, & Boydell, (1991); Senge, (1990); Swieringa & Wierdsma, (1993), Batorski, (1999); Miller, (1998); Nogalski, (1998), Mark A. Farrell (2004), Baker and Sinkula (1999), Lukas, Hult & Ferrell (1996), Slater & Narver (1995), Day (1994), Hamel & Prahalad (1994), Sinkula (1994), Stata (1992), Dickson (1992), Dickson (1992), Sinkula, Baker and Noordewier (1997, p. 316), DeGeus (1988) etc.). Their studies establish the relationship between Learning Organisation and many organizational Effectiveness sub variables.

Learning Organisation and Organisational Effectiveness – Flexibility

Table no. 4 clearly shows the significant relation between Learning Organisation sub-variables and the Organizational Effectiveness sub variable flexibility.

Learning organization environment ensures a free flow of information across the functional level that supports the members to take in time decisions in the changing volatile business environment. Exchange of information and innovative ideas are the pre-requisite to ensure sound decision making process. Care should be taken by the organizational leaders, here in this context that, the same values and vision, percolates across the departments. The completion of projects requires a group effort that to understand each others ideas and integrate the every value added information from all sources. Here, readiness to share and accept the information is the fundamental in learning and doing in information technology organizations.

The present study thus indicates that the IT organizations established the system to organise and share learning through flexible organisational environment. Learning organization environment further encourages the employee's interest to contribute more to their respective functions and has shown readiness to adapt new learning mode with sharing and learning. Karash (1994 -98) here in this context rightly states that "learning organization is an organization that learns and encourages learning among its people. It promotes exchange of information between employees hence creating a more knowledgeable workforce. This produces a very flexible organization where people will accept and adapt to new ideas and changes through a shared vision."

The members in the IT organizations, selected for the study, are flexible enough to accept new information and adapt new changes with more freedom for experimentation. The finding shows an organisational environment which promotes collective consciences and team attitude among members in their functional level to

organize business and accomplish their targets.

Learning Organisation and Organisational Effectiveness – Adaptability

Table no. 4 clearly shows the significant relation between Learning Organisation sub-variables and the Organizational Effectiveness sub variable adaptability.

The most important factor in the era of globalization and liberalization is the member's adaptability to learn and contribute the best to the changing business environment. The members in the organization have to adapt to new structure, process, people and policies to compete with both local and global players. They should be able to connect themselves to the changing business environment in a broader perspective and take up the challenges without pressure. Here learning organisational climate matters considerably in the coping process. The organization should adapt both formal and informal policies that encourage the learning process. As Senge (1990) remarks: The rate at which organizations learn may become the only sustainable source of competitive advantage. In an era of globalization, companies that learn and that use this learning to shape new structures, processes, and systems are better able to thrive and prosper. Organizations that cannot adapt face the down fall." Within today's turbulent environments, only learning organizations are able to survive and thus gain competitive advantage (e.g., Garvin, 1993; Marquardt, 1996; Pedler, Burgoyne, & Boydell, 1991; Senge, 1990; Swieringa & Wierdsma, 1993).

The present findings indicates that in IT organizations, members are getting adequate learning environment to understand and adapt to new changes that envisaged by the organisational leadership. This further indicates that the process of learning is organized such

a way that there is high diffusion and adoption of new ideas and practices are not frustrated. Here there is no role for conservatism and rigidity. The challenge for most organizations is the transition from a traditional to a learning organization. The IT organization here shows effective transfer of knowledge across the departments and members are extended with flexible – learning environment to understand, adapt and involve in the change process. The members are more sensitive and observant to both external and internal organisational process in the learning environment, which reflects more organisational adaptability.

Learning Organisation and Organisational Effectiveness – Innovation

Table no. 4 clearly shows the significant relation between Learning Organisation sub-variables and the Organizational Effectiveness sub variable Innovation. Experimentation and Innovation is possible only when, there exists an organizational environment where the individual members getting greater support and confidence from their superiors to take risks related to task allotted. Millett (1998) pointed out in this context that the process of building a learning organization unleashes individual creativity, and fosters collective learning, which is crucial for encouraging, and developing innovation and rapid responsiveness to global competition. The present finding is in tune with the past researches of learning organization which support member's ability utilization creativity, innovating and experimentation.

One of the greatest challenges in moving toward the learning model is convincing and enabling employees to develop new ways of thinking about how things are done, or can be done. Member's motivation to work for the organization depends on their willingness and "engages employees' hearts and minds in a continuous, harmonious, productive organisational process. To achieve their

willingness and ensure more challenging status requires a strong commitment from senior leadership and often a significant shift in organization culture that ensure more learning organisational environment.

More over to sustain the competitive global environment the organization should invite transition from traditional management style to more collaborative and team learning where members get an opportunity to discuss, clarify and innovates new patterns and procedures. Sharing knowledge is thus giving ample opportunity to the members that to engage them before implementation of new process. The finding indicates that the members in the IT organizations are getting better support from their superiors with whom they get better trust and encouragement to take risk and face challenges. The leaders in the organization selected for this study are having high professional intelligence to ensure a learning organizational environment, which develop collective consciousness and team attitude among followers, which pave new ways to innovation and creativity towards functional dissemination.

Learning Organisation and Organisational Effectiveness – Effectiveness

Table no. 4 further shows the significant relation between Learning Organisation sub-variables and the Organizational Effectiveness sub variable Effectiveness. The present research findings give us a clear understanding on the influence of Organisational Learning on Organisational Effectiveness.

The greater contribution of learning organization is the member's behaviour modification towards performance and efficiency. A learning climate ensure members positive thinking, openness, knowledge sharing, willingness to perform, creativity, innovation, risk taking, collective consciousness, team attitude, sense of responsibility, adaptability and flexibility to meet business goals.

"Learning inside an organization must be equal to or greater than change outside the organization. Slater and Narver (1995) argue that learning facilitates behaviour change that leads to improved performance.

Organizational Effectiveness reflects the internal functioning of an enterprise: the member's commitment to goals, objectives and ethical standards, the efficiencies of practices and processes, and the seamless flow of work and information.

Higher the learning climate members observe within the organization higher the level of stability and integrity they shows towards work performance and the organizational effectiveness. The findings indicates further that environment of IT organizations where the desired performance patterns are nurtured and encouraged to meet the challenges and changing demands of the firm. The competitive advantage the IT organizations in the modern era may be the byproduct of learning organization environment which keenly support productivity and effectiveness.

Mark A. Farrell (2004) study on leaning organization indicates that, a learning orientation has a stronger positive relationship with business performance, than did a market orientation. Simply put, this finding provides further support for the arguments that organisational learning may be the only source of sustainable competitive advantage (DeGeus 1988; Dickson 1992; Slater & Narver 1995), and that organisational learning may be the key to future organisational success (Lukas, Hult & Ferrell 1996). Hence, from this discussion it may conclude that the learning organization influences the performance of members and organizational effectiveness.

The overall finding indicates that learning organisation environment is a major factor that affects human behavior at work and it leads to organisational effectiveness.

Implications

The present study clearly pointed out the importance of Learning Organisation on Organizational Effectiveness. The study envisages significance of learning climate in organizations to improve the effectiveness. If the organization doesn't give importance to Learning Organisation Climate, following implications the organization may face following implications.

- ♦ It affects the orientation of members towards organisational vision and objectives.
 - ♦ It affects employees' morale, commitment, competence and motivation.
 - ♦ It develops defensive relationship among members and management and it leads to mal-adaptation.
 - ♦ Absence of learning organisation climate affects the mental models and the psychological contract gets affected between organisational members and management.
 - ♦ It affects member's attitude towards innovation and creativity.
 - ♦ It affects member's attitude towards acquiring knowledge and experience for continued growth and development.
 - ♦ It affects the empowering culture where leadership, management, and the workforce focus on continuously developing organizational competence.
 - ♦ It reduces member's orientation towards continuous learning and committed to improvement.
 - ♦ It affects the social responsibilities, development and quality of life.
- ♦ It generates oorganizational problems like job dissatisfaction, behavioural problems, production turnover, increased absenteeism, secondary importance to work, greater alienation and estrangement at work, and lower productivity.
 - ♦ It considerably reduces the overall individual and organisational effectiveness.

Recommendations:

1. In order to become learning organizations:
2. Percolate the organisational vision across the functional level to each employee.
3. Align the organisational systems to operational learning for growth and development.
4. Groom the top management of the organization towards systems thinking and empowerment
5. Align the workforce towards continuous improvement and committed to learning
6. Encourage collective consciousness in contribution and performance
7. Enhance learning at individual, group, and organization levels
8. Flexibility in rules and regulation which hamper the learning opportunity
9. Induce work values which encourage adaptation, improvement and learning.
10. Provide opportunity for risk taking and experimentation.
11. Improve employees' skills not only in present job but also for future, unforeseen challenges.

12. Extend organisational learning to the entire business operation and supply chain
13. Acquire and apply best of technology to the best of learning.
14. Ensure employee work motivation by envisaging both personal and professional growth through right learning opportunities.
15. For innovation to occur at a faster and continuous rate, the presence of creative climate and a learning culture should be encouraged.
16. Understand the importance of human side of enterprise in the organisational learning and development

Conclusion

In the era of the growing market competition, every organization that wants to grow rapidly must ensure that their employees' are getting right environment to contribute the best to their organization. The concept of the learning organization is propounded out of new way of thinking in organizational development and organisational dynamics which follows effective systems and structure in learning. The study clearly pointed out that building a learning organization climate is perceived as a strategic initiative, and well implemented in the IT sector that to derive high level appreciation from the organizational members by foreseeing the speed of technological, economic and social change. The key concept of this platform is that learning organization is a tool that allows members who want to grow and which allows members orientation towards organisational development.

References

1. Batorski, J. (1999), Diagnostowanie organizacji uczących się // *PERSONEL*, 11(56), P. 28–30. (English Version)
2. Black, D.H., Synan, C.D., "Interactive Consultation and the Learning Organisation", The Sixth Discipline. London: Random House, 1997
3. Cameron, K. S., & Quinn, R. E., "Diagnosing and changing organizational culture", Reading, MA: Addison-Wesley, 1999
4. Cameron, K. S., & Whetton, D. A., Organizational effectiveness: A comparison of multiple models. New York, NY: Academic Press, Inc., 1983
5. Karash, R. (), 'Learning-Org', Dialog on Learning Organizations, Washington DC, ERIC Publications, 1994–98
6. Kerka Sandra., "The Learning Organization, Myths and Realities", Inspired Business, Washington DC, ERIC Publications, 1995
7. Marquardt, M., "Building the learning organization", New York: McGraw-Hill, 1996
8. Miller, E.D. (1998), Fala wstrząsów wywołana przez rewolucję komunikacyjną // Organizacja przyszłości. (English version)
9. Millett, B., Managing the Processes of Organisational Change and Development: Study Book, University of Southern Queensland. 1998
10. Nancy Dixon, "The Organizational Learning Cycle," McGraw-Hill, 1994
11. Nayak, P.R, Garvin, D.A., Maira, A.N. & Bragar, J.L., "Creating a Learning Organization, in *Prism, The Learning Organization: Making it Happen, Making it Work*," Third Quarter, Cambridge USA, Arthur D. Little, , 1995
12. Nogalski, B. . Kultura organizacyjna. *Duch organizacji* // TNOiK, 1998
13. Orr, J.E., Sharing knowledge, celebrating identity: Community memory in a

- service culture. In P. Middleton, D. dwards, et al. (Eds.), *Collective remembering: Memory in society*. London: Sage Publications 1990.
14. Pedler, Boydell, and Burgoyne , "Towards the Learning Company", London McGraw-Hill Book Company. 1989
15. Pedler, M., Burgoyne, J. and Boydell, T., *the Learning Company. A strategy for sustainable development*, London: McGraw-Hill, 1991-1996
16. Pedler, M., Burgoyne, J., & Boydell, T., "The learning company", London, McGraw-Hill Book. 1991
17. Schon, D. A., "The Reflective Practitioner: How Professionals Think in Action", Basic Books, Inc. 1983
18. Senge, P., "*The Fifth Discipline. The art and practice of the learning organization*," London: Random House, 1990
19. Swieringa, G. & Wierdsma, A., "Becoming a Learning Organisation", Reading, Mass.: Addison-Wesley, 1992
20. Yang, B., Watkins, K. E., & Marsick, V. J., "Examining construct validity of the Dimensions of the *Learning Organization Questionnaire*", In R. Torraco (Ed.), *Proceedings of the 1998 Annual Academy of Human Resource Development Conference*. Oak Brook, IL. 1998
21. Boje, D. M., "Organizational storytelling: The struggles of pre-modern, modern, and postmodern organizational learning discourses", *Management Learning*, 1994, 25(3), pp.433-461.
22. Crossan M., Lane, H. & White, R. E., "An organizational Learning framework: From intuition to institution", *Academy of Management Review*, 1999, 24 (5), pp. 522-537.
23. Crossan, Mary and T. Guatto. "Organizational Learning Research Profile", *Journal of Organizational Change Management*, 1996, Vol. 9, p: 1.
24. Damodaran, L., Olphert, C.W., Barriers and facilitators to the use of knowledge management systems. *Behavioural Information Technology*, 2000, 19 (6), pp.405-413.
25. David Horton, Brian Duggan Adriana Hess. (), "Creating a Learning Organization", *Business Voice*, 2005, January-February.
26. Day, G., 'The capabilities of market-driven organisations', *Journal of Marketing*, 1994, vol. 58, pp. 37-52.
27. Degeus, A.P., 'Planning as learning', *Harvard Business Review*, vol. 66, pp. 70-74.
28. Dickson, P.R., 'Toward a general theory of competitive rationality', *Journal of Marketing*, 1992, vol. 56, pp. 69-83.
29. Garvin, D.A., 'Building a learning organisation', *Harvard Business Review*, 1993, July-August, pp. 78-91.
30. Hamel, G. & Prahalad, C.K., "Competing for the Future", Harvard Business School Press, Boston, May- June.
31. HODGKINSON, M., "Managerial perceptions of barriers to becoming a 'learning organization", *The Learning Organization*, 2000, Vol. 7, No. 3, 156-66.
32. Huber, G.P., "Organizational learning: the contributing processes and the literatures". *Organizational Science.*, 1991, Vol. 2, pp. 88-115.
33. IvergaÚ rd, T.B.K., Information technology and knowledge-based business development. *Behavioural Information Technology*. 2000, 19 (3), 163-169.

34. Jaworski, Bernard J, and Ajay Kohli., Market Orientation: Antecedents and consequences. *Journal of Marketing*, 1993, 57 (July), pp. 53-70.
35. Kim, D.H., 'The Link between Individual and Organizational Learning'. *Sloane Management Review*, Fall, 1993, 37-49.
36. Klein, P.S., Mediated Learning, Developmental Level and Individual Differences: Guides for Observation and Intervention; Educating and Supporting the Infant/Family Work Force: Models, Methods and Materials. *Zero to Three, National Center For Clinical Infant Programs*, 1995, Vol. 15 (3) 16-20.
37. Li-Fen Liao, learning organization perspective on knowledge-sharing behavior and firm innovation, *Human Systems Management*, IOS Press, 2006, Volume 25, No. 4.
38. Lukas B; Hult GT & OC Feral, "A theoretical perspective of the antecedents and consequences of Organisational Learning in marketing channels," *Journal of Business Research*, 1996, 36, pp. 233-244.
39. Lukas, B., Hult, G.T. & Ferrell, O.C., "A theoretical perspective of the antecedents and consequences of organisational learning in marketing channels", *Journal of Business Research*, 1996, vol. 36, pp. 233-44.
40. Mark A. Farrell (2004), Developing a Market-Oriented Learning, Organisation, *Australian Journal of Management*, vol. 25, No. 2 September.
41. McGill, M. E., Slocum, J. W., and Lei, D., "Management Practices in Learning Organizations." *Organizational Dynamics*, 1992, vol. 21, No. 1, pp. 4-17.
42. Mills, D.Q., Friesen, B., "The learning organization", *European Management Journal*, 1992, Vol. 10 No.2, pp. 146-56.
43. Rahim, M.A., "Towards a theory of managing organizational conflict", *International Journal of Conflict Management*, 2002, vol. 13 no.3, pp. 206-35.
44. Redding, J., "Hardwiring the Learning Organization." *Training & Development*: 1997, vol. 4, p. 61-67.
45. Sinkula, J., Baker, W. & Noordewier, T., "A framework for market-based organisational learning: Linking values, knowledge, and behaviour", *Journal of the Academy of Marketing Science*, 1997, vol. 25, pp. 305-18.
46. Sinkula, J.M., "Market information processing and organisational learning", *Journal of Marketing*, 1994, vol. 58, pp. 35-45.
47. Slater, S. & Narver, J., "Market orientation and the learning organisation", *Journal of Marketing*, 1995, vol. 59, no. 3, pp. 63-74.
48. Starkey. K., "How Organisations Learn," International Thomson Business Press, London Stata, R. 1992, 'Management innovation', *Executive Excellence*, 1996, vol. 9, no. 6, pp. 8-9.
49. Watkins, K. E., & Marsick, V. J. (Eds.) (), "In action: Creating the Learning organization", Virginia: American Society for Training and Development. 1996
50. Watkins, K., Marsick, V., "Building the learning organization: a new role for human resource developers", *Studies in Continuing Education*, 1992, vol. 14 no.2, pp.115-29.