

Learning Organization as a Model for Organizational Development Applied Study on The Banking Sector In Jordan

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Abstract: This study investigates one of the most recent management concepts in the field of organization development, i.e. the Learning Organization (LO). The study aims to assess the potentials related to this concept in the Core Business of the Banking Sector in Jordan. The sample of this study comprises 321 employee and senior manager in the HR headquarters in three Jordanian Banks, using a comprehensive coverage method; LSD Test & ANOVA were used to analyze the results of the questionnaire. The results of the study show that the weakness of the seven dimensions of the Learning Organization are empowering individuals towards a collective vision and creating systems to capture and share learning. On the other hand, the most obvious strength was the promotion of inquiry and dialogue. The averages of the seven dimensions ranged between (3.44) and (3.94) out of (6). The study endeavored to present some recommendations for the development of each of the seven dimensions of the Learning Organization and strengthen their weaknesses such as establishing awareness for the concept of learning organization among workers in the banks through the establishment of specialized courses and workshops, and encouraging presidents to involve employees in the information on global trends and trends in the organization, through regular meetings.

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1. Introduction

The concept of learning has strongly influenced thinking about the nature of work in modern society. Giddens (1990) argues that the reflexive use of knowledge is a salient consequence of the current period of 'high modernity', and indeed, a necessary condition for practical action in a complex and opaque world.

Learning cultures can be achieved in all Authorities, Industries and Companies of all sizes. To become learning Organization is to accept a set of attitudes, values and practices that support the process of continuous learning within the organization. Creating a learning culture within your organization will take you one step beyond just acquiring the skills that you need to deliver its products and services. It will empower your people to achieve dramatically improved results compared to more traditional organizations.

The purpose of learning is development of proper change. The most important attribute of the current world is change. Management scientists say that managers must know how they can create a learning organization. Any proper change and development is caused by learning. Consequently knowing how to learn is one of the most necessary skills for knowledge-based organizations (Mark Easter, 1999). If organizations want to survive

effectively and if they want to compete other organizations, they must speed up leaning.

Among theoretical discussions of management, many books and essays have been written in recent years about organizational learning and learning organization. The importance of learning organization in the knowledge of management is due to the role that it plays in the following dimensions:

- Development of creativity and innovation in organization
- Development of personal leaning during job career and personal life
- Development of collective intelligence
- Development of entrepreneurship
- Development of personnel
- Providing customers and clients with better services
- Increasing the competitive potentiality of organizations
- Optimizing productivity, efficiency and effectiveness of organizations
- Proper changes and developments in organization

2. Review of Literature

The Meaning of Organizational Learning

Organizational learning is defined as: changes in organizational practices (including routines and procedures, structures, technologies,

systems, etc.) that are mediated through the kind of human thought, action and interaction that is commonly called learning, but is also referred to as knowledge creation, inquiry, or problem-solving. Organization that acquires knowledge and innovates fast enough to survive and thrive in a rapidly changing environment. Learning organizations create a culture that encourages and supports continuous employee learning, critical thinking and risk taking with new ideas, allow mistakes, and value employee contributions, learn from experience and experiment, and disseminate the new knowledge throughout the organization for incorporation into day to day activities.

Others defined the organizational learning that it is the 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.

Organizational learning is what happens as an organization matures and improves; in essence, recognizing and changing the widget-making/serving process it is involved with to build a better widget maker/server. The learning organization is an organization that takes a step back to look at the big picture of how it benefits from new ideas and errors with the intention of continuous improvement. It is a deliberate process, and one component of organizational development.

According to Senge (1990) 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.

The basic rationale for such organizations is that in situations of rapid change only those that are flexible, adaptive and productive will excel. For this to happen, it is argued, organizations need to 'discover how to tap people's commitment and capacity to learn a *tall* levels'.

While all people have the capacity to learn, the structures in which they have to function are often not conducive to reflection and engagement. Furthermore, people may lack the tools and guiding ideas to make sense of the situations they face. Organizations that are continually expanding their capacity to create their future require a fundamental shift of mind among their members.

When you ask people about what it is like being part of a great team, what is most striking is the

meaningfulness of the experience. People talk about being part of something larger than themselves, of being connected, of being generative. It becomes quite clear that, for many, their experiences as part of truly great teams stand out as singular periods of life lived to the fullest. Some spend the rest of their lives looking for ways to recapture that spirit. (Senge 1990)

For Senge, real learning gets to the heart of what it is to be human. We become able to re-create ourselves. This applies to both individuals and organizations. Thus, for a 'learning organization it is not enough to survive. "Survival learning" or what is more often termed "adaptive learning" is important – indeed it is necessary. But for a learning organization, "adaptive learning" must be joined by "generative learning", learning that enhances our capacity to create' (Senge 1990).

The dimension that distinguishes learning from more traditional organizations is the mastery of certain basic disciplines or 'component technologies'. The five that Peter Senge identifies are said to be converging to innovate learning organizations. They are:

- Systems thinking
- Personal mastery
- Mental models
- Building shared vision
- Team learning

He adds to this recognition that people are agents, able to act upon the structures and systems of which they are a part. All the disciplines are, in this way, 'concerned with a shift of mind from seeing parts to seeing wholes, from seeing people as helpless reactors to seeing them as active participants in shaping their reality, from reacting to the present to creating the future' (Senge 1990). It is to the disciplines that we will now turn.

The Learning Culture Philosophy: McKnight Principles

William L. McKnight, who served as 3M chairman of the board from 1949 to 1966, encouraged 3M management to "delegate responsibility and encourage men and women to exercise their initiative."

His management theories are the guiding principles for 3M, their heritage dates back more than 100 years, and McKnight's principles continue to accompany 3M in the 21st century.

Many believe McKnight's greatest contribution was as a business philosopher, since he created a corporate culture that encourages employee initiative and innovation.

His basic rule of management was laid out in 1948:

"As our business grows, it becomes increasingly necessary to delegate responsibility and to encourage men and women to exercise their initiative. This requires considerable tolerance. Those men and women, to whom we delegate organization and responsibility, if they are good people, are going to want to do their jobs in their own way.

"Mistakes will be made. But if a person is essentially right, the mistakes he or she makes are not as serious in the long run as the mistakes management will make if it undertakes to tell those in organization exactly how they must do their jobs.

"Management that is destructively critical when mistakes are made kills initiative. And it's essential that we have many people with initiative if we are to continue to grow."

To create a Learning Culture involves building a culture where employees are "encouraged to exercise their initiatives" and to whom "organization and responsibility" are delegated and where individuals take a personal ownership in their personal Learning and Development, at all levels within the Organization.

Previous Studies

Bharadwaj, 2003 stated in his study "Developing a Learning Organization: Training in a Public Sector Organization" the results of an intensive year-long training program that was designed to help an American public sector organization become a learning organization. The program required managers to attend a day-long seminar each month for a year, participate actively in class, complete out-of-class assignments, interact with colleagues (across functions and levels) on several team exercises, read two lengthy books, and then implement the concepts into their work lives. The coverage of learning organization concepts was primarily based on Senge's (1990) concepts espoused in his popular book "The Fifth Discipline" and the accompanying Field Book. Based on a comparison between pre-test and post-test results, the program appears to have been very successful in helping the organization move closer to becoming a learning organization. The hands-on approach over an extended period of time seems to promote long-term learning and a culture of change and commitment.

Ang, 1996 in her study which is titled "Organizational Learning and Learning Organizations: Trigger Events, Process & Structures, and learning Outcomes" mentioned that the organizational Learning and Learning Organization span many disciplines. Over 1000 abstracts in management, economics, psychology, sociology, and other social sciences were content analyzed. Analysis revealed a nomological network of (a) triggering events that render OL necessary; (b) OL processes

and LO designs; and (c) learning outcomes. Questions guiding future research and practice ensue.

Vemic, 2007 in her study titled: "Employee Training and Development and The Learning Organization" Stated that the global competition and swiftness of changes emphasize the importance of human capital within organizations, as well as the swiftness and ways of knowledge gaining of that capital. In the economy where uncertainty is the only certainty, knowledge is becoming a reliable source of sustained competitive advantage. Knowledge is becoming basic capital and the trigger of development. Previously built on foundations of possessing specific resources and low costs, present day competition is based on knowledge possessing and efficient knowledge management. Modern organizations therefore use their resources (money, time, energy, information, etc.) for permanent training and advancement of their employees. Organizations which are constantly creating new knowledge, extending it through the entire organization and implementing it quickly inside the new technologies, develop good products and excellent services. These activities determine the company as a learning organization with constant innovation being its sole business. These are organizations which realize that learning and new knowledge are becoming the key of success, and that education is crucial for abundance.

Maten *et al* in his study titled: "Identifying the Barriers of Developing Organizational Learning in Administrative Organizations" mentioned that Management scientists state that for the purpose of surviving and developing, it is necessary to be engaged in learning forever. Learning can help organizations with any changes, innovations, and creations. According to studies, the learning capacity in nationwide administrative organizations is rather low. In this article, first the concept and also the necessary characteristics for learning development are mentioned. Then in accordance with them, the characteristics of learning capacity in organizations are recognized. Second, the barriers of organizational learning are studied and considering them, the essential proposals for the development of learning are offered.

Nielsen in his study titled: "Innovation, Learning Organizations and Industrial Relations" mentioned that innovation may be seen as a process of knowledge creation and the speed and direction of knowledge creation reflects the organizational set-up of the firm as well as its investments in R&D and training. Establishing 'a learning organization' where horizontal interaction and communication inside and across the borders of the firm is a major factor promoting knowledge creation in the context of a

learning economy. An important issue is to what extent direct and indirect participation of employees in shaping the new form of organization is critical for its realization.

On the basis of a unique data set covering 2000 Danish private firms it is demonstrated that firms combining several of the organizational traits of the learning organization are much more prone to introduce new products than the others. It is also demonstrated that such firms have involved employees in different forms of direct and indirect participation much more frequently than the rest. As more sectors become exposed to the need to engage in incremental product and service innovation the economic potential of diffusing good practices in terms of organization and participation is growing and needs to be reflected in firm strategies and public policies aiming at promoting innovation and knowledge creation.

O'rténblad, 2004 in his study titled: "The learning organization: towards an integrated model" presented an integrated model of the learning organization. It is based on empirical research of the learning organization literature, as well as on practitioners' understandings of the concept where learning organizations were often described in terms of four distinct individual aspects – no more and no less. This article argues these aspects cannot be treated as separate, and that the four aspects have to be combined in order to create a true learning organization. The four aspects are: learning at work; organizational learning; developing a learning climate; and creating learning structures. The article suggests that only those organizations that have implemented all of the aspects should be called "learning organizations", and those organizations that have implemented only one aspect should be called "partial learning organizations".

Methodology

In this section, we first described sample and data collection procedures. Then we elaborated information about the instrument and translation procedure. Finally, we briefly discuss the analytical strategy.

Sample and Data Collection:

We chose three Jordanian Banks that have invested a huge amount of time and effort in organizational learning. That is, the three are known as exemplary organizations for learning organizations in the Jordanian context, with a number of best practices.

We approached 321 employees and senior managers in the HR headquarters and strategic planning offices of each Bank. The managers suggested five and six subsidiaries for the sampling. Selection of the respondents was based on the

experience of learning organization interventions and the level of understanding about the concept of learning organization cultural aspects of selected organizations. As alternative methods for data collection, Internet and intranet-based surveys were used as well. As a result, approximately 321 employees were randomly selected and received an invitation letter via Bank e-mail. Approximately 321 employees who indicated their intention to participate received survey questionnaires. (211) questionnaires were received with (65.7%) response and SPSS software package was used to analyze the data.

3. Results of The Study

This section reviews the search terms about the availability of the seven dimensions of organizational learning based on the used model.

We discussed the views of the search terms of the questionnaire as a whole, and then calculated the averages and standard deviations of the questionnaire's terms. Then we identified the most and least used expression phrases of the concept of the organizational learning in the research community.

To assess the degree of availability of the seven dimensions of the organizational learning in general the following was done:

The researchers calculated the percentages of responses of the search terms as shown in Table No. (1). In addition to the averages, standard deviations and ranking for each of the seven dimensions of the questionnaire, objectively it is clear that:

The SMA degree of availability of the organizational learning concept in the Jordanian banks sector reached (3.627), with a standard deviation (0.852).

Displayed in the table, the dimension of the organizational learning, the presence that was most prevalent in the Jordanian banks sector was the second dimension "encouraging inquiry and dialogue", where it received the highest arithmetic means (3.941), with a standard deviation (0.910), and the less dimension of the learning organization is the fifth dimension "empowering the individuals to have a common vision", where it received the lowest arithmetic average (3.444), with a standard deviation (1.117).

The seven dimensions that were evaluated:

First dimension: create continuous learning opportunities

Second dimension: encourage inquiry and dialogue

Third dimension: promote cooperation and collective learning

Fourth Dimension: Create systems to share knowledge and learning

Fifth dimension: empower the individuals to have a common vision

Sixth dimension: link the organization with the external environment

Seventh dimension: adopt strategic leadership to support learning.

Table (1): Averages and standard deviations and ranks to the dimensions of the questionnaire

No	Dimension	Mean	Standard Deviation	Rank
1	Create continuous learning opportunities	3.600	0.912	4
2	Encourage inquiry and dialogue	3.941	0.910	1
3	Create systems to share knowledge and learning	3.667	0.982	2
4	Create systems to share knowledge and learning	3.524	1.098	6
5	Empower the individuals to have a common vision	3.444	1.117	7
6	Link the organization with the external environment	3.625	0.953	3
7	Adopt strategic leadership to support learning	3.585	1.172	5
Total		3.627	0.852	

The Findings of the Statistical Analysis:

To locate the differences, One-Way ANOVA was used and to analyze the views of the search terms LSD and least significant difference test shows the following:

1. There is no statistically significant difference in the level of having the dimensions of the concept of organizational learning in Banks from the bank employee perspective according to the variables. The first, second and third, fourth and fifth, sixth and seventh dimensions.
According to the total score of the questionnaire, the researchers believe that this convergence of opinion between the search terms is due to the result that all the major sectors have the same degree of attention from the senior management, which also works as an organizational and a single integrated and consistent unit.
2. There are no statistically significant differences in the level of having the dimensions of the concept of organizational learning in Jordanian banks sector from the point of view of the qualified staff.
3. There is no significant difference of the variable (type of work) in the first, second, fourth and fifth dimensions of the organizational learning in the Jordanian Banking sector.
4. There is a significant difference in the third dimension (promoting cooperation and collective learning that incumbent leadership LSD (least significant difference test) and executive positions in banks believe that working to promote learning is a collective expression of the concept of organizational learning. The results were statistically were more significant in comparison with the supervisory and collective learning which suggest that collaborative learning is necessary.

5. There are no significant differences in the level of having these dimensions in the concept of organizational learning in Banks. According to the variable (years of experience) the first, second, third, fifth, sixth and seventh dimensions, are included in the total score of the questionnaire.

6. There is significant difference in the fourth dimension; to identify the sources of these differences LSD test was used.

The employees who had 15 or more years of experience demonstrated a better understanding of the need to create knowledge systems than those who had less than 10 years of experience.

The research has concluded that the most senior of staff demonstrated the knowledge and ability to forecast because of the administrative tools that are at their disposal.

Conclusion and Recommendations

Research found that the most commonly used dimension is "to encourage inquiry and dialogue" and the least used dimension is (enabling individuals to have Common vision) and (establishing knowledge systems,). This means that the administration is open to suggestions, opinions and dialogue, but current systems do not allow participation in the process of planning, organizing and development of systems that are not suitable for modern trends in management, such as organizational development and organizational learning.

The average ranges of the seven dimensions of the learning organization are between (3.44) - (3.94) out of (6).

Recommendations

In light of the findings, research, and reality of the statistical analysis of the data, it is recommended to:

1. Establish awareness for the concept of organizational learning among workers in the banks through the establishment of specialized courses and workshops
2. Encourage senior staff/management to involve employees in the processes that impact the organization's global trends, through regular meetings.

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