

Measuring the Level of Learning: Comparison between Public and Private Sector Banks of Pakistan

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ABSTRACT: *Objective of this study was to determine level of learning in two sectors, public and private, banks of Pakistan after a comparison and also to analyze the relationship among major building blocks of David Garvin, that include (1) supportive learning environment, (2) concrete learning process and practices and (3) leadership that reinforce learning. A questionnaire developed by Garvin was used for collecting information from 72 bank's respondents. Statistical techniques, which included Frequency statistic, Arithmetic mean, Reliability statistic and Correlation analysis, were applied on data by using SPSS. Study analysis and results indicate that there is crucial requirement of learning improvement in both sector banks of Pakistan. There was not a significant difference between the scores of both sectors but somehow the level of learning in private sector banks is greater as compare to public sector. Further, findings of the study indicate that correlation among all three building blocks of Garvin was positive and all are significant at 0.01.*

Keywords: Building blocks, supportive learning environment, concrete learning process and practices, leadership public and private sectors.

Learning, whether on individual or organizational level, is the continuous change in behaviors or more specifically improvement in practices with every passing day. Today organizations have to face always changing environments, and without their ability to learn or to continuously improve themselves no chances to sustain or to be successful in market. Old and traditional ways of doing business are no longer enough to survive; moreover organizations need to be quick in their responses towards changes, even these threats are at the beginning level. Leaders or managers are responsible for developing such type of leaning behaviors in individuals and teams of any organization.

Although individuals are the actual source of learning but only individual learning is not sufficient, there is need to develop such a system that lead towards organizational learning. Peter. M. Senge is the first name who gave this concept of learning in organizations and why it is important to learn for them for sustaining and to survive. In his book, the fifth discipline, he introduces five disciplines or building blocks that are important to consider while thinking about learning. According to him, “learning organization is such type of organization where individuals are continuously enhancing their capabilities 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”(Senge 1991). David Garvin is another big name in this concept, he is more practical in nature that not only gives building blocks but also tools to measure level of learning. “ A learning organization is an organization skilled at creating, acquiring and transforming knowledge; and at modifying behavior to reflect new knowledge and insight”(Garvin, Edmondson et al. 2008).

Significance of learning in today’s competitive and ever changing environment is world widely accepted, including Pakistan which can be said one of those countries that have to face more uncertain environments in business. Both private and public sector organizations have accepted that learning can be the best competitive advantage to be successful. But in Pakistan there is a general perception that private sector organizations are better learning oriented as compare to public sector, due to huge difference in their management practices, motivational levels, behaviors towards different things, processes and policies. Hence reality can be different from this for different organizations or sectors, as yet there are not much research work has been conducted to measure this.

The Garvin 3 building blocks are “supportive learning environment”, “concrete learning process and practice”

and “leadership that reinforce the learning” by (Garvin, Edmondson et al. 2008). Many scholars have conducted their studies on first, second and third building blocks separately which are briefly discussed in literature review. The objective of this article is to study the main factors which are contributing more in becoming a learning organization, by using a tool based on Garvin 3 building blocks, in banking sector of Pakistan and to compare level of learning in private and public sectors bank of Pakistan. Secondly to analyze the relationship between major building blocks of (Garvin, Edmondson et al. 2008). Two banks from each sector, private and public, is taken as sample to get feedback from there and then finally to analyze the collected data for getting the results of the study.

Literature Review

The concept of leaning organization is not a new field of management sciences. It’s already reviewed by large numbers of authors. This article is based on the concept of learning organization given by (Garvin, Edmondson et al. 2008). For measuring the extent of leaning in any organization, three building blocks were given, supportive leaning environment, concrete learning process and practices and leadership that reinforce the leaning (Garvin, Edmondson et al. 2008). There should be generative learning rather than adoptive learning in the organizations that is actual source of organizations development. Organizations have to change them self-according to environment, which is necessary for their survival. So they should have to be flexible enough to meet with environmental requirements and to get comparative advantages (Senge 1991). There is moderate level of support for learning at IDECO climate when it comes from learning process and practices and there is also significant relationship among the major blocks of Garvin (Melhem). The crucial factors that influenced the supportive leaning environment are psychological safety and time for reflection in public and private sectors of Pakistan (Ali, Bajwa et al.). There is an extreme need of leadership behavior that reinforces the learning in public and private sectors organization in Pakistan (Rasheed, Masood et al.). For a learning organization there is need to improvement in ways of concrete learning process and practices in manufacturing and service sector of Pakistan (Rasheed, Ali et al.) . The organization learning is continually and life long process. The dynamics environmental changes and competition pressure on organization holding the capacity to build organization future. The continuous learning required that the organization must adopt the changes and develop the practices for surviving in the market (Shabbir 2009) .Continuous improvements program are very necessary for the success of any organization. For improving the organizations have to

learn first, without learning they couldn't improve themselves. Garvin provides 3 M's as a framework for building any organization a learning organization which are meaning, management and measurement (Garvin 1985).

From a routine based view of learning organizational learning, the problem of myopia of learning is take place only when organization mechanisms promoting the exploitation take precedence over the mechanisms of promoting exploration at all the levels of organizations (Hidenori). In learning organizations more active and versatile learner employees are more frequently consider they involved and engaged in to leadership (Brown and Posner 2001). The organizational productivity will enhanced by increasing organizational knowledge and professional knowledge and there is positive relationship between organization learning and organizational productivity. Organizations should pay more attention to learning at different level of organization and professions (Asadi, Ghorbani et al. 2009). For enhancing the organization performances the learning orientation and innovation is very necessary and there is a significant relationship among learning orientation, innovations, capabilities and organizational performance in the banking sectors of Pakistan (Zahid and Ali). The learning organization is a tool available for the management that is getting the global popularity around the world. The implementation of learning organization concept is a critical factor for the success of any organization and all other tangible type of advices that are necessary for the management to achieving best results in implementation of learning organization concept (Cesnovar).

The learning organization is a place where individuals learn that how they can make reality and how they can change the reality. Therefore organizations should know that how they can change their actions in way of getting unknown outcomes. The organizational learning ability is hidden in its employees ability to learn so individual learning is very necessary for organization learning (Herisi and Khodabakhsh). The true learning organizations is a combination of following four aspects that must treated combine these are learning at work, organizational learning, developing a learning climate, and creating learning structure (Årtenblad 2004). The organization learning is more then the individual learning. Individual learning can be converted into organizational learning but individual learning is not itself organization learning (Nemeth 1997). In learning organizations individual learning practices, organizational learning practices and problem solving practices having strong positive relationship with nonprofit organizations performance (Som, Saludin et al.). The role of leaders is undeniable for successful

learning organizations. The leaders should have to adobe new style, traits of leading. The leader interaction with their team members or subordinates helps them to identify and resolve the ambiguities quickly and the transfer of knowledge across the organization also having significant impact on organizational learning. The active and effective role of leadership should be enhanced in both educational and manufacturing sector in Pakistan (Ummar, Lodhi et al.).

Research Methodology

As study objective is to compare the level of learning in both, public and private sector banks, so target population was from both sector banks. Two banks from public sector and two banks from private sector were taken for conducting the survey, on the basis of three building blocks given by (Garvin, Edmondson et al. 2008). The instrument which was used to serve the purpose was same as given by, (Garvin, Edmondson et al. 2008). Although learning level in any organization can be measured by using any one building block. But we use all three building blocks; Supportive learning environment, Concrete learning process and practices and Leadership that reinforce learning, which complete toolkit is given by the developer. Employees at all level and from all departments were included in the sample; total 100 questionnaires were distributed in both sector banks. Out of which 38 from private sector and 34 from public sector banks were returned, on the basis of these 72 questionnaires further analyses was made.

These three blocks are further sub divided into different parts, questions were asked about all those sub divided parts in each block. Respondents were asked negative and positive both type of questions. Primary data is collected from these respondents while some secondary data is also used to get know how about learning behaviors or cultures in both sectors organization as there is a general concept of having less learning behavior in public sector organizations of Pakistan.

Questionnaire of David is used, as he is a big name in literature of learning organizations and tool given by him to measure learning level is accepted worldwide. For analyzing the data accurately, SPSS 16.0 was used.

Variables and Techniques

This research uses all three building blocks of learning given by David A. Garvin to make a complete and accurate comparison of learning levels in both sectors bank. As all of these have their own importance in increasing level of learning,

1. Supportive learning environment
2. Concrete learning processes and practices
3. Leadership that reinforce learning

This study contains questions related to following elements that are the subdivisions of each block mentioned above.

Supportive learning environment:

1. Psychological safety
2. Appreciation of differences
3. Openness to new ideas
4. Time for reflection

Concrete learning processes and practices:

1. Experimentation
2. Information collection
3. Analysis
4. Education and training
5. Information transfer

Leadership that reinforces learning: Questions related to leaders/ manager. Data is collected by using total 54 questions related to these elements of learning in any organization. Further different variables are used to measure these ten elements. Some other variables are also used in the study such as age, gender, year of experience and department of the respondents. In this study data was collected by using five level likert scales. Which is defined as (Strongly agree =1) (Agree =2) (Neutral =3) (Disagree=4) (Strongly disagree=5). Frequency statistic, Arithmetic mean, reliability statistic and Correlation analysis were applied on data by using SPSS. Frequency statistic applied on all demographic variables, arithmetic mean applied on all dimension of each building blocks. To ensure the reliability of data and questionnaire Cronbach's Alpha applied on each building block separately and collectively. And finally Pearson Correlation applied to examine the relationship/ correlation among the all building blocks of (Garvin, Edmondson et al. 2008).

Finding and Discussion

In table 1 of Appendixes, frequency statistics are shown for some major characteristics of the respondents. These results show most of the respondents (58.3%) were belonging to 20-30 age group. While talking about their gender most of them (83.3%) were male and only (16.7%) were females. Among the total 72 respondents, (51.4%) were married. As far as their experience is concerned, (79.2%) of employees were having less than 10 years of experience in their respective banks. There were total 7 departments from where data was collected and most of the respondents were from operation and cash departments (40.3%, 29.2% respectively). As total sample were containing employees from both public and

private sector banks, (48.6%) were from public sector and (51.4%) were from private sector bank.

Table 2 displays Cronbach Alpha coefficients of this research measured to ensure the reliability of data. Values of all three building blocks of the study show good reliability on them. These values of three building blocks are above .50 in each case or (.746, .898 and .911), respectively. Values are taken after excluding one variable from each block to have better value of reliability. In supportive learning environment one variable ("people in this unit are overly stressed") excluded for improving the value of cronbach alpha. In second building block one more variables excluded ("this unit never pays attention to different views during discussion") for making more strong internal reliability of data. In third building block last variable excluded that is ("my manager criticizes views of different from their own") for improving data reliability. At the end overall reliability of data measured including all variables which is (.897).

Table 3 of Appendixes, shows bench mark scores given by (Garvin, Edmondson, & Gino, 2008) to see level of learning in any organization by comparing with these scores, given for each sub division of all three blocks.

In table 4, arithmetic mean scores for all building blocks are displayed for both, public and private sector banks of this study. Table 4.1 shows scores for first building block, psychological safety in public sector is higher than in private sector although both fall in bottom quartile. Appreciation of differences has higher score in private sector bank and same is the case with remaining two dimensions of supportive learning environment. Composite mean of all dimensions show that Supportive Learning Environment, for both sector banks, lies in bottom quartile, which proves that there is need of improvement in both sectors to make their environment more supportive for learning.

Table 4.2 shows results of scores for concrete learning processes and practices. Scores for experimentation, analysis and education and training are higher in private sector bank as compare to public sector, and scores fall in second quartile. While score of information collection is greater in public sector and information transfer has same score for both sectors and lies in bottom quartile. Composite mean of all dimensions show that Concrete Learning Processes and Practices are higher in private sector banks than in the public sector, but lies in bottom quartile.

Table 4.3 is showing composite mean of all variables indicating Leadership that reinforce learning. Score for this composite of leadership block shows that private

and public sector banks both are in bottom quartile of David Garvin's benchmark. These results clearly indicate that both sectors banks need a lot of improvement for become a learning organization.

Table 5 shows the results of Pearson's correlation coefficient that indicates all three building blocks are statistically significant and positively correlated with each other, by showing strong interaction and interdependence between all of them. Hence all results of correlation are significant at 0.01 of the P-value. This correlation further indicates that these three blocks; supportive learning environment, concrete learning processes and practices and leadership that reinforce learning rely and depend on each other. That means supportive learning environment require leadership that reinforce learning and learning processes and practices are necessary for supportive learning environment.

Conclusion and Recommendations

It has always been of great importance to know whether level of learning is higher in public sector organization or in private sector organizations. As far as Pakistan is concerned, here is a general concept of having greater learning in private sector. So this study is of great importance to see level of learning in both sectors, with the help of statically evidences after doing proper analysis of data. This study clearly indicates that both sector public and private banks having quit same results and standing at same position in learning. But somehow level of learning in private sector banks is higher than the public sector banks because private sector is more concerned about their improvement; try to bring more innovations with experimentations, more training and education of employees and better appreciation of differences as well as openness to new ideas. Overall there is still need of improving level of learning in both sectors to bring them to higher benchmark quartiles, as scores for both sectors mostly fall in bottom and second quartile. Further research can be conducted by applying other techniques of analysis to obtain better and more sophisticated results of the data, As well as by using other different tools of measuring and comparing level of learning in different organizations. The same building blocks can also be used as a standard to compare different sectors e.g. manufacturing and service. Researchers can also develop their own tool to measure learning, based on this concept of (Garvin, Edmondson, & Gino, 2008).

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APPENDIXES:

FREQUENCY STATISTICS

Table: (1) Sample Characteristics

Table:(1.1) Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-30	42	58.3	58.3	58.3
	30-40	13	18.1	18.1	76.4
	40-50	15	20.8	20.8	97.2
	50-60	2	2.8	2.8	100.0
	Total	72	100.0	100.0	

Table: (1.2) Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	male	60	83.3	83.3	83.3
	female	12	16.7	16.7	100.0
	Total	72	100.0	100.0	

Table: (1.3) Marital Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	single	35	48.6	48.6	48.6
	married	37	51.4	51.4	100.0
	Total	72	100.0	100.0	

Table: (1.4) Years of Experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	less than 10 year	57	79.2	79.2	79.2
	less than 20 year	10	13.9	13.9	93.1
	less than 30 year	4	5.6	5.6	98.6
	less than 40 year	1	1.4	1.4	100.0
	Total	72	100.0	100.0	

Table: (1.5) Department

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	operations	29	40.3	40.3	33.3
	cash	21	29.2	29.2	69.4
	credit	12	16.7	16.7	84.7
	audit	3	4.2	4.2	88.9
	trade	2	2.8	2.8	91.7
	IT	3	4.2	4.2	95.8
	CRBG	2	2.8	2.8	100.0
	Total	72	100.0	100.0	

Table: (1.6) Banking Sector

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Public Sector	35	48.6	48.6	48.6
	Private Sector	37	51.4	51.4	100.0
	Total	72	100.0	100.0	

Table: (2) Cronbach Alpha Coefficient

	Cronbach's Alpha	N of Items
Supportive Learning Environment:	.746	17
Concrete Learning Process and Practices:	.898	27
Leadership that Reinforces Learning:	.911	7
Total/overall	.897	54

Table: (3) Benchmark Scores:

Variables	Bottom Quartile	Second Quartile	Median	Third Quartile	Top Quartile
Supportive Learning Environment:					
Psychological Safety	31-66	67-75	76	77-86	87-100
Appreciation of Differences	14-56	57-63	64	65-79	80-100
Openness to New Ideas	38-80	81-89	90	91-95	96-100
Time for Reflection	14-35	36-49	50	51-64	65-100
Learning environment composite	31-61	62-70	71	72-79	80-90
Concrete Learning Process and Practices:					
Experimentations	18-53	54-70	71	72-82	83-100
Information Collection	23-70	71-79	80	81-89	90-100
Analysis	19-56	57-70	71	72-86	87-100
Education and Training	26-68	69-79	80	81-89	90-100
Information Transfer	34-60	61-70	71	72-82	83-100
Learning Processes Composite	31-66	63-73	74	75-82	83-97
Leadership that Reinforces Learning:					
Leadership Block Composite	33-66	67-75	76	77-82	83-100

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**Table: (4) Arithmetic Means Scores of All Building Blocks:
1. Supportive Learning Environment:**

Table : (4.1) Descriptive Statistics

Sectors	Public Sector	Private Sector
Variables	Scaled Scores (Means)	Scaled Scores (Means)
Psychological Safety	58	50
Appreciation of Differences	56	58
Openness to new Ideas	50	56
Time for Reflection	52	54
Learning Environment Composite	54	54

Concrete Learning Process and Practices:

Table: (4.2) Descriptive Statistics

Sector	Public Sector	Private Sector
Variables	Scaled Scores (Means)	Scaled Scores (Means)
Experimentations	58	62
Information Collection	50	46
Analysis	58	60
Education and Training	44	56
Information Transfer	56	56
Learning Processes Composite	54	56

Leadership that Reinforces Learning:

Table : (4.3) Descriptive Statistics

Sector	Public Sector	Private Sector
Variables	Scaled Scores (Means)	Scaled Scores (Means)
Leadership Block Composite	52	52
Valid N (listwise)	35	37