

# **Measuring the Learning Practices in Banking Sector of Pakistan**

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**ABSTRACT:** *The purpose of this study is to measure the learning practices in banking sector of Pakistan. A toolkit is used to collect data from respondents given by David A Garvin. There were four banks select as a sample size (15 respondents form each bank HBL, MCB, ABL and Soneri Bank). On the basis of David A. Garvin toolkit compute three variables i.e. learning environment, learning practices and leadership behavior among different banks than calculate the scaled score value and compare it David A. Garvin bench mark scaled score values. SPSS compare mean technique was used to analyze the data. The result showed learning practices almost same in all banks and leaning processes become very slow in banking sector of Pakistan.*

**Keywords:** learning practices, learning environment, learning process, leadership behavior

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Organizations across the world are going through a number of rapid changes; these changes are due to technological development. Change is a continuous process which affects the every aspect of our lives and businesses. Business environment become changing rapidly so to adapt these changes we have a need of learning organization. If you want to survive in market you have to learn from your environment, learn from other and make necessary changes accordingly. Learning organization become the competitive advantage for organizations in competitive business environment now the competition become so intense in past organizations more focus on profit and products. But the concept has been changed; now organizations have more focus on learning organization because it is not possible to produce goods and generate profit without learning organization. Those organizations that learn faster become more successful.

The concept of learning organization is not new Fortune magazine said that “forget the old, tired ideas about leadership” now you have to learn every movement of your business operation. If you will not learn faster than your competitors, you will out from competition. Organizations are interconnected each other and business become so complex so organization must be learning full. Learning organization is possible when all the member of organization learn at all level. A great organization team is not great from very start it learns from its experience and produce extra ordinary results then become successful.

The basic idea about learning organization was delivered by Peter M.Senge in the book of fifth discipline published in 1992. Different scholars define the learning organization in different ways. “Learning organization is an organization where individuals constantly expand their abilities to generate the results which they actually desired, where new and expensive model of thinking is cultivated, where combined aspirations are set free, and where people continually learn how to learn from other or how to learn together”(Senge 1997) .

There are five building blocks for learning organization (1) Team learning is a component which combine all the individual of the organization (2) There should be constantly clarifying the personal mission; concentrate on energy, developing tolerance and observing certainty and objectivity through personal mastery (3) one’s should come out of his mental model and encourage the change (4) Company vision should be shared among the individual of the organization (5) System thinking is a frame work which provide us a pattern that how to make a change effectively(Senge 1997).

One of the major author David A. Garvin have a key contribution in the field of learning organization, in this study we are going to use the questioner designed by the David A. Garvin he define learning organization as “A learning organization is an organization which is capable to create, acquire and transfer knowledge, and then organization behavior reflect the new understanding and insight” (Garvin, 1985).There are five component for learning organization (1) systematic problem solving (2) learn from experiments (3) learning from own history (4) learning from others, and (5) Transferring information all over organization. (Garvin, Edmondson et al. 2008).

This study aims to measure the learning organization practices in banking sector specifically in Pakistan. It is the era of technology so banking sector across the world making the number of quick changes to survive in the business environment installation of ATM (automated teller machine) CDM (cash deposit machine), credit card, debit card, online transfer system, latest methods of KYC (know your customers), use the latest model to manage the risk and ALPM (advance ledger posting machine), all these innovation changes the ways of organization operations. Now banks needed skilled labor to perform its operations. Now banks moving towards innovation and improving their processes and introducing new products and services. Every bank try to build distinct strategies via introducing new product and services and make itself differentiate in the market.

The major objective of this study is to explore the learning organization practices in banking sector in Pakistan. It will helpful for decision makers in banking industry of Pakistan because this study is going to explain some important aspect which may be used as a competitive advantage for banking industry and this paper will contribute in literature for future researches.

The target population for this study is the banking sectors in Faisalabad. To achieve the study objective four banks select as a sample size in the area of Faisalabad. These banks are choosing on the basis of convenient sampling. The model (questioner) designed by David A. Garvin et al (Harvard Business Review, 2008) used in their article titled “Is Yours a Learning Organization?” is being used to collect data from respondent in banking sector, (shaker and Habiba (2013) and Qamar Ali (2011) also used this toolkit to collect the data.

## Literature Review

Peter M. Senge is considered as the father of learning organization. The idea of learning organization becomes more popular after the publication of the Peter M. Senge.

(Senge 1997) discussed the values of learning organization in his book *The Fifth Discipline*, and develops competitive advantage from. Senge proposed (five disciplines) that how their organization actually works (systems thinking), be open with others for learning (personal mastery), individual set aside their older ways of thinking (mental models), formulate such plans and policies every person can agree on (shared vision), and then perform jointly to attain that vision (team learning).

(Argyris 1994) conducted a study on the topic "Good communication that blocks learning," and found that the new common organizational communication method, like surveys, management-by-walking around and focus groups can blockage organizational learning no doubt these techniques helps to solve certain kinds of problems.

(Cavaleri and Fearon 2000) suggested that learning is not a separate entity it didn't mean to make an attempt that take place only in classrooms or training centre; somewhat it is concomitant with work. (Marquardt 1996) suggested that the concept of learning not only applies for managerial level of organization members or lower ranked members. It takes "a new shape of labour".

(Cummings and Huse, 1996; Harung et al., 1999; Roth well et al., 1995) examined One of the basic types of change involves the growth of individual's values and ideas about what is achievable and how things work. When the entire changes are observe collectively as a whole, its lead toward change. (Denton 1998) investigated that learning organization is the capability to acquire and use knowledge as a basis of competitive knowledge. Learning must change the action pattern of the organization and change the behavior of the organization. (Stewart 2001) suggested that learning organization is a form of joint cognition where members of the organization develop environments to share their experience and learn from others experiences. In such environment the members of organization accept the change constantly. (Egan, Yang et al. 2004) found there is significant relationship between organizational learning environments and motivation, turnover intention and job satisfaction.

In an international context(Zhang, Zhang et al. 2004) examined the learning organization applicability in the Chinese environment via using (DLOQ) model.

(Abbas, Murad et al. 2011) conducted a study to examine the learning organization practices in Pakistani public sector organization. The questioner designed by the Marsick & Watkins, (DLOQ) was used an instrument to collect data. Data collected from 44 respondent and SPSS factor analysis technique was used to analyze the data. The independent variables were the learning climate, systematic employee development, reward for learning, employee participation and leadership and learning organization was used as dependent variable. The result showed that learning climate, systematic employee development, reward for learning, employee participation and leadership having positive relationship with learning organization the limitation of this study was they didn't use check the cultural difference effect on learning organization.

(Shakir and Saleem 2013) (Khaliq Ur Rehman Cheema, 2012) conducted a research to evaluate either learning organization practices are implemented in manufacturing sector or not specifically in Pakistan. Questioner designed by the David A. Garvin was used to collect the data. The result showed that learning organization practice is implemented in manufacturing sector but not in a proper way (Dirani 2009) examined the concept of learning organization and its impact on work related activities in banking sector of Lebanese and result showed that there is direct and significant relationship among learning organization culture, organizational commitment and employee job satisfaction.

(Ejaz, Rehman et al. 2009) conducted a research to examine the effect of leadership qualities in routine working environment of banking sector in Pakistan. Data collected from 93 respondents through questioner and interviews ANNOVA and t-test was used to analyse the data. The result showed that leadership is one of the important factors in producing revenues, motivating and retaining the employees and gratifying the customer via high quality services values and developing effective day to day business environment in banking sector. relationship between organizational learning, innovation capacity and organizational performance examined by (Zahid and Ali 2011) in the banking industry of Pakistan. It was an exploratory study and result suggested that there was a significant correlation between learning organization capacity and organizational performance in banking sector of Pakistan. SEM (structural equation modeling) approach was used to analyze the data.

## Methodology

This is the study base on primary data. The target population of this study was banking sector from Pakistan specifically in Faisalabad region. The basic objective of this study is to compare and compare the learning organization practices among different banks specifically in banking sector. To achieve that objective four banks (HBL, MCB, ABL and SONERI Bank) selected as a sample size on the basis of convenient sampling. The data is collected from middle level management on anonymity basis. The research tool was in this study was the questioner developed by the (Garvin et al., 2008). Questioner filled by sixty respondent fifteen from each bank. David A. Garvin questioner (seven likeret scale) was used because it has good reputation in journal from learning point of view many author used this tool for their research, specifically for measuring learning organization practices. (Qamar ali 2012) and (Shakir and Habiba 2013) also used this questioner in their research studies. To certify the reliability of questioner Cronbach's Alpha is used on the data collected from respondent. The compare mean technique is used to analyze the data. This technique is analyzed by using SPSS

## Variable Analysis

This study aims to explore the learning organization practices in different banks of Pakistan. On the basis of David A .Garvin toolkits we compute three new variables/factors i.e. learning environment, concrete learning process and leadership behaviour. The data is collected from 60 respondent 15 from each bank from middle level management employees. The analytical tool developed by the (David A. Garvin et all 2008) consist of scaled score 100 was being used to analyze either learning organization practices exist in organizations or not. The scaled score were categorized into four quartiles ranging from top quartile to bottom quartile. If the computed variable mean value fall in bottom or second quartile, it recommend that there is a need of improvement, and, if value fall in third or top quartile it shows that there are good learning practices in organization.

## Results and Discussion

Cronbach's alpha is used to check the internal consistency of data its higher value is desirable its value should be more than .70. Here in the following table its value is .712. This shows that data is reliable.

**Table 1**

Reliability Statistics	
Cronbach's Alpha	N of Items
.712	39

Table 2 show calculated mean value of all computed variable of all the selected banks.

**Table 2**

Report				
Organization Name		Environment	Learning process	Leadership
ABL	Mean	4.3036	5.1607	4.0816
	N	14	14	14
	Std. Deviation	.58708	.39912	.50961
MCB	Mean	4.6667	5.0531	4.3839
	N	16	16	16
	Std. Deviation	.41833	.25656	.36782
Soneri Bank	Mean	4.8056	5.1867	4.5810
	N	15	15	15
	Std. Deviation	.45824	.29244	.48133
UBL	Mean	4.5389	4.9867	4.2000
	N	15	15	15
	Std. Deviation	.58237	.28627	.47010

The table mentioned below demonstrate the bench mark scores given by the David A. Garvin but here we compare calculated scaled score value of compute variables with composite scaled score values of David A. Garvin bench mark table.

**Table 3**

Building Blocks and Their Subcomponents	Scaled Scores				
	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	30-80	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 Processes and Practices					
Experimentation	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	72-84	85-100
Learning environment composite	31-62	63-73	74	75-82	83-97
Leadership Reinforce					
Composite for this block	33-66	67-75	76	77-82	83-100

**Table 4**

Bank name	Environment	Learning process	Leadership
ABL (Mean)	4.3036	5.1607	4.0816
Scaled score	61.48	73.72	58.30

ABL bank scale scored values are calculated by using the formula  $(MEAN * 100 / 7)$ . The calculated score value of learning environment is 61.48. It compared with (Table 3) bench mark score value it falls in bottom quartile it shows this area is weak there is need of improvement in this area. The calculated score value of learning process is 73.72 which falls in second quartile which reveals that learning process is slow. The calculated score value of leadership behaviour is 58.30 which falls in bottom quartile which shows that leadership behaviour contributing very small learning practices of organization and learning in this area is too slow.

**Table 5**

Bank name	Environment	Learning process	Leadership
MCB (Mean)	4.6667	5.0531	4.3839
Scaled score	66.66	72.18	62.62

Table shows the scaled score value of three variables in MCB bank. The first factor "environment" falls in first quartile which shows this area is too weak. And there is need of improving the ways of environment learning. The second factor "learning process" having calculated scaled score value is 72.18 which fall in second quartile it demonstrate that learning practices are weak and there is need to be improvement. The third factor leadership behaviour falls in bottom quartile it demonstrates that learning practices are poor in this in this area. The leadership behaviour is not too much supportive for learning practices in organization.

**Table 6**

Bank name	Environment	Learning process	Leadership
Soneri Bank (Mean)	4.8056	5.1867	4.5810
Scaled score	68.65	74.09	65.44

Table shows the scaled score value of Soneri bank. The first factor fall in bottom quartile it demonstrates that environment learning is too weak in organization there is need of improvement. Second factor fall in median quartile it implies that there is learning practices exists in organization but still there is need for betterment. Third factor value is lies in bottom quartile it demonstrates that learning practices is too slow in this area.

**Table 7**

Bank name	Environment	Learning process	Leadership
UBL (Mean)	4.5389	4.9867	4.2000
Scaled score	90.77	71.23	60

Table shows the calculated scaled score value of UBL. The first factor "environment" falls in top quartile which shows the considerable learning practices in this area. It reveals that there is supportive learning environment in organization. Second factor falls in second quartile which shows that learning process in an organization is slow so there is a need for improvement. Third factor falls in bottom quartile it demonstrates the weak learning practices in this area.

### Conclusion

It has been observed that learning environment in ABL is much supportive than other banks. Only ABL gained high score in this factor other banks are too slow to learn from their environment. They have not yet been able to develop learning environment in organization. The learning process is almost same in all banks. All the banks in this area are too weak and there is need of improvement. Leadership behaviour is not contributing in learning in all banks. In concluding remarks we can say that learning practices in banking sector of Pakistan is very slow. Except ABL learning environment the entire factor shows weak relation with learning practices of the banking sector.

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