
Organizational Learning in Erratic Economic Scenario of Pakistan: An Empirical Study on Organizational Learning Effectiveness in Beverages Industry of Faisalabad

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ABSTRACT: *The purpose of this study is to analyze the learning capabilities and its impact on organizational performance and sustainability in Pakistan's erratic economic scenario. Building Blocks of David A. Garvin are being applied to work out this research, following by his research questionnaire. We do have our target population of Management Staff of leading beverage industry in Faisalabad. Random sampling technique is being used to conduct this research and 80-respondents were being given questionnaire, though 50-respondents filled accurate info. Reliability Test, Arithmetic Mean and Standard Deviation are being concluded to extract results of this study. This study is discussing 1-supportive learning environment, 2-Concrete learning processes and practices, and 3-leadership reinforcement in beverage industries at Faisalabad.*

Keywords: Learning, Organization, leadership, environment, process and procedures

Pakistan is the 27th largest economy of the world as per PPP (Purchasing Power Parity) and being surveyed below 140th with respect to GDP per capita was 2900 US\$ (2012), with a population of 183 million. Pakistan does have main contributions thru textile, agriculture, food processing and minerals. Pakistan's major earning contributors are exerting from the Indus river side and urban areas of Punjab. Karachi, Lahore, and Faisalabad are the main cities of Pakistan leading major portion of export oriented business and bearing offices for almost all companies, serving at Pakistan.

Pakistan was being seen as the varying economy since its independence in 1947. It beards 2-times marshal laws and being remained under armed administration for 2-decades approximately. During 60's, Pakistan was being observed as fast pace growing economy and being praised by the other rivals as most growing sector of the world, in comparison to normal growth rate for rest of the world. Industry was being opened in different areas of the state and investors were assuming Pakistan as the most profitable investment place and shifting their funds from all over the world to make it profitable return but 70's were the era of nationalization, where all sectors were being owned by the Govt. in order to their operations and profitability. It urged investors to transfer their funds to other economies. On the later days, same practices were repeated and economic conditions remained unpredictable and on off game were unrelenting.

In this volatile era, organizational learning models and capabilities were being mingled up with the effects of nationalization and de-nationalization, civil administration, and bureaucracy. Today, economic conditions are unreliable and state is facing many challenges like political instability, terrorism, bureaucracy, preferential treatment, hostile investment circumstances, economic disintegration, mounting production cost, varying prices for the commodities and the settings, where organizations are shifting in other countries in search of favorable consequences, this is much important to sort out an organizational model to survive in this economy and remain competitive in comparison to the other rivals.

This is not an easy decision for the organizations to move easily and surrender their return and share from this state, where mostly people do have enough purchasing power and a large number of consumers live there. Though, manufacturing prices and taxes are increasing and profit margins are squeezing, still organizations are in a position to earn profit and can take a good rate of return.

Problem Statement

Is this scenario, organizations are tending to adopt the ways which can lead them towards sustainability and growth in upcoming era. Organizations are using different modes and enhancing their knowledge to influence their consumers thru their customized products and services, cost reduction and solution for their problems but in return they are expecting. For this purpose, an important aspect to be studied which is exploring effective ways of organizations, "The Effective Organizational Learning Model".

We are going to explore an effective model for learning in Pakistan's seasoned economy, which can support us in this impulsive storm and can take this ship towards the safe dockyard with effective consumption as cost effectiveness is the essence. Effective learning model is expected to be the quick learner and executors, team builders, effective decision makers, superior productivity on attractive cost, customer satisfaction from both internal and external aspects, and to meet out the expectations of the surroundings.

Significance of the Study

This study would be providing a base for the organizations to stay competitive in this economy and also be supporting to others, looking for stable planning to depart for this state with investment perspective and to launch their set-ups. This study will be supportive from 3-dimensions of the scenario, the state's economy, the investors and the public. Investors will be using this study to operate here with their valuable investment expertise, state will be earning as economy will be getting stable by escalating investment and the most important aspect, the public looking to serve the organizations as employees.

Also, this will be giving an empirical background to the Garvin's learning building blocks and proving its effectiveness for organizational learning.

Industry/Sector

Being student of Business Management, I have conducted my study in FMCG sector, considered as backbone for the economy and based upon strong learning model to sustain and perform at marketplace as this is the most consumer oriented industry.

Punjab Beverages Faisalabad (Pepsi Cola International) is the biggest company and serving all major and minor cities of Faisalabad Region. It does have strength of approx 900 employees all over Region and 40% of its

employees are dealing in marketplace with customers and consumers. This is the fastest growing FMCG company leading 62% market share of Pakistan in cold beverage.

This is the most growing industry and focusing on organizational learning thru different projects. In this research, I have discussed learning model on the basis of Garvin's 3-building blocks in upcoming competitive era of Pakistan.

Research Methodology

For this study, we have taken one-shot study method thru questionnaires being filled by Management Staff of the PCI, particularly at Commercial as this function does have highest level of market exposure and need to have best learning capabilities and also be working like environmental scanner for organization.

Primary data was being collected thru Garvin's questionnaire from a sample of 80 employees on random basis from the management. Out of selected 80 employees, we received proper and usable data from 50-employees from all functions. There were total 55-questions, being asked to every respondent thru questionnaire with perspective to measure organizational learning and its level of learning in running scenario from all 3-aspects. Reliability test, Standard Deviation and Arithmetic Mean is being performed for the collected data by using SPSS v.20.

Literature Review

In present economic scenario, learning is the only source to sustain and perform in competitive environment and also be providing a competitive edge over other rivals. Previously prevailed concept of permanent employment has been gone today and individuals are thinking on self employment seriously (Jackson and Vitberg 1987). Today's employment strongly focusing on learning, development and adopting capabilities of individuals, performing on behalf of concern, also be supportive to economy, nation, employer and individual as well (Davidson and Wiklund 2000).

Learning is a process which starts from the very first day of human being and remained continued till the last breath. This is natural phenomena that human being remains dynamic to learn every (Garvin 2000). Challenging and volatile economic, social and political scenario, resource scarcity, globalized economy, varying workplace requirements, growing technology, mobility of competent workforce and increasing customer's wants and demands have enforced organizations to work upon organizational learning, seems like a breath for

organizations (Marquardt 2002). There are 3-stages of organizational learning, individuals, groups and organizational learning, competitive edge for emerging organizations (Marquardt 2000).

Learning is continuous process of improvement in order to create, acquire and transfer knowledge towards modification of behaviors and reflection of knowledge thru action. This learning can be made thru developing a problem solving model based upon strong systems, risk taking towards new experiences, learning from previous problems and their solutions, imitate others if have some practicable solution of similar nature and most important by transferring all the knowledge on different platforms for its effective utilization (Garvin 1993).

Organizational learning does have 3-core areas to be covered, meaning of the learning, learning management and its measurement to keep the organization on right track. Organizational learning needs commitment first, only it is enabling them to learn in productive way (Garvin 1993). Organizational learning can be categorized into two main categories; first adaptive learning, which is increasing experience and reflecting thru action by modifying behaviors and second is anticipatory learning, a process of predicting challenges and future patterns, important to serve (Marquardt 2000). The concept of single loop and double loop is another addition in this regard. Single loop learning is being described as modification of actions of individuals, groups and organizations to fill out the difference between expectation and actual results (Argyris and Schön 1978). Firms need specific capacity to absorb inputs in order to generate outputs (Fiol 1994).

Learning organization has 3-building blocks supportive learning environment, concrete learning process and leadership, reinforces learning (Garvin, Edmondson et al. 2008). Learning is not only important for survival and sustainability but also providing a base for future learning as well. It also is enhancing organizational capabilities to learn new ways of performance and to avoid risk factors being faced by organizations now a day. Learning is not only the creation of knowledge but also be transferring, modifying behavior of contributors and its reflection thru actions, in order to utilize effectively (Garvin, Edmondson et al. 2008). Learning organization is that where people continuously remain engaged in enhancing their capacity to create results as desired by time and important for progress of the concern.

Learning is not only to gain knowledge but also to retain, disseminate and reflection thru implementation in real performance. On the basis of learning, change and its adaptability is the core competency on all levels.

Three main stages of learning life cycle are initiating change, sustaining its momentum and organizational redesigning (Gutierrez 1990). In presence of above 3-parameters of change, we can say that merely knowledge is not important but individuals and groups are the key contributors produce change. It is the competitive edge for individual and organizations, with respect to change adaptability. An individual, group or organization will be more advantageous, having more adaptability to change and environment. Though, information gathering is a key task in this circle but this is only archiving unless not be reflected into action and performance. For this purpose, one must have strong adaptability, unfortunately rare in our target population due to high level of ego and strong impact of caste based system.

Learning organization is that which does have strong skills of knowledge creation, acquisition and behavior modification to reflect the impacts of knowledge and its insight (Gutierrez 1990) (Khaliq Ur Rehman Cheema, 2012). Organizational learning is a detailed process of an organization to enhance its capabilities to perform well and this is based upon a strong experience and exposure (Zahler, Schein et al. 1998). A learning organization is an organization where individuals and groups remain busy to expand learning by adopting new and effective ways of performance, ultimately supportive to achieve organizational goals much effectively than prior one.

Every upcoming step or way to perform is organizational learning, if this be characterized as organizational asset, rather based upon individual only. Though, learning based upon individuals of the organization but an organizational learning would be that one which is used as shared resources in order to enhance knowledge and also be supportive by leadership and organizational environment as well (Kofman and Senge 1993). Organizations need to introduce learning environment and culture as a core base for the employees. Learning is shift of minds and to think it unique from whole world (Senge 1996). The first thing that we need to become a learning organization is effective leadership, pure from traditional hierarchy and supposed to be a better mix of people from all levels of organization to lead organization in a better way and the second important factor to have a realization for inherence of powers and authorities to find appropriate solutions to current and upcoming problems and issues (Senge 1996). Leaders are the key contributors while making an organization learner and responding to problems. An organization is in need to develop learning leadership model, if want to become an effective learning organization (Prewitt 2003).

Variables and Data Analysis

In below mentioned test, our reliability level is .839 in comparison to its benchmark of .70. So, we can say that collected data is reliable and useful for this empirical test.

Case Processing Summary			
		N	%
Cases	Valid	50	100.0
	Excluded	0	.0
	Total	50	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics	
Cronbach's Alpha	N of Items
.839	55

This study is presenting 10-variables relating to organizational learning. Garvin's three major building blocks with 10- correlated as per below given table, depicting empirical results in terms of minimum and maximum scaling, Arithmetic Mean, and Standard Deviation as mentioned in below table, being extracted using SPSS. These data was being collected by using David A. Garvin's questionnaire to test 3-building blocks and 10-variables, in order to test its practicability in beverage industry of Faisalabad.

Results and Discussion

Below table depicting result of this data analysis in comparison to the benchmarked model of David A. Garvin to test the organizational learning capability.

Descriptive Statistics								
Str#	Name of Variables	N	Minimum	Maximum	Mean	Std. Deviation	Avg Score	Organizational Capability
Supportive Learning Environment								
1	Psychological Safety	50	2	6	4.328	0.921	65	Bottom Quartile
2	Appreciation Diff	50	2	6	4.135	1.011	59	Second Quartile
3	Openness	50	2	6	4.550	0.839	65	Bottom Quartile
4	Time Reflection	50	3	6	4.336	0.770	62	Third Quartile
Concrete Learning Processes and Practices								
5	Experimentation	50	2	7	4.300	1.013	61	Second Quartile
6	Information Collection	50	2	6	4.397	0.899	63	Bottom Quartile
7	Analysis	50	3	6	4.116	0.732	59	Second Quartile
8	Education Training	50	2	7	4.590	1.147	66	Second Quartile
9	Information Transfer	50	1	6	3.940	1.002	56	Bottom Quartile
Leadership Reinforce								
10	Leadership Reinforce	50	3	6	4.340	0.738	62	Bottom Quartile

Psychological Safety: Average score for this variable is 65 which fall in the bottom quartile by comparing it with Garvin's benchmarking table. People refrain to talk about organizational problems and avoid taking initiative for its solutions. This needs improvement to be an effective learning organization.

Appreciation of Difference: Average score for this variable is 59 which fall in the second quartile. People try to work about but only up to some extent. Only end results are encouraged, if found exceptional. It needs further improvement and leadership support all the way.

Openness: Average score for this variable is 65 which fall in the bottom quartile. Organization's leadership need to focus on acceptability and openness to change, in order to become an effective learning organization.

Time for Reflection: Average score for this variable is 62 which fall in the third quartile. Organization's leadership motivates to individuals for coming up with new ideas but its ratio is comparatively low.

Experimentation: Average score for this variable is 61 which fall in the second quartile. Organization's leadership motivates to make new experiences but also there is a room that individual and groups are held liable in case of failure, may refrain by taking initiative.

Information Collection: Average score for this variable is 63 which fall in the bottom quartile. Organization collects information regarding problems, competitor moves, strategies and individual desires but just to fulfill documents. So, impact of such practices is very low.

Analysis: Average score for this variable is 59 which fall in the second quartile. Organization's leadership gives priority to all the decisions as per their liking rather than on the basis on opinions of participants/individuals.

Education & Training: Average score for this variable is 66 which fall in the second quartile. Organization spends a lot on training & development of individuals but there is a room that leadership desires immediate results for T&D investment.

Information Transfer: Average score for this variable is 56 which fall in the bottom quartile. Organization shares only a limited level of information to others. Its sharing level must be enhanced to make it more effective.

Leadership Reinforcement: Average score for this variable is 62 which fall in the second quartile. Leadership model needs to be redesigned in order to

make it more effective. Current leadership model is seemed to be a model bearing communication among different levels.

Conclusion

By going thru all above study, empirical data collection & analysis and discussion with a small number of employees of the organization, we do have concluded that organization's leadership model need to be redesigned and an updated model must be introduced which bearing full concept of team learning and team management. In above study, it is concluded that leaders of the organization pays full attention on exerting work pressure irrespective to its actual effectiveness. Leadership poses to be well-wisher for the company but actually it is different from above concept. They are unable to make environment as friendly and in the favor of learning.

It is concluded that a wide communication gap persists among different level of authorities and need to be filled out to make it learning supportive. Organization's working environment need to be re-looked as current is not such supportive to learning. Individuals avoid taking initiative in current scenario as they do have a fear that additional work would be imposed upon them. Individual's work life balance is bitterly disturbed in this organization and they have to work for long hours, totally unethical from all aspects.

In this organization, people avoid to think or introduce new ideas or ways or performance as they would be awarded or motivated, if this is successful but also they are held liable in case, idea does not work as per expectation. This sort of accountability reduces capability of individuals to gain new knowledge. Furthermore, only a limited number of information is being shared to other stakeholders or it may be called that this is knowledge archiving organization only.

In order to sustain in long run, organization's leadership style must be emphasized and worked out to reduce the gaps. It is the only way for survival in the long run; otherwise people will be start moving in other firms where they feel greater sense of security and ease to perform.

This study is giving an opportunity to onward researchers by conducting a study on large scale with comparative sample by organizational territory as above study on limited scale with a limited number of participants for one location only, though there are 7-territories in Pakistan.

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