Learning Organization: The Corner Stone of Development in Non-Profit Management

Binson P Augustine[1], Dr. Fr. M.K Joseph[2]

[1]Ph.D. Scholar, Rajagiri College of Social Sciences, Cochin, Kerala.
[2]Associate Professor, (Retired) Department of Social Work, Rajagiri College Of Social Sciences, Cochin, Kerala

Abstract

The developmental organizations are trying to develop and incorporate the learning organization's culture in their strategic plans as profit organizations do. Today learning culture is an integral part of many NGOs in Europe and America. Though the concept of a learning organization is familiar in the business world, its scope is not yet identified in the Indian nonprofit sector. This quantitative study using *survey research design* attempts to know the level of understanding of learning organizational practices in nonprofit organizations, various dimensions of a learning organization, and how it is conceptualized by NGO leaders and other professionals. The study was conducted in sixteen rehabilitation NGOs, and there were 150 respondents including NGO managers and Professionals. The survey used a five-point Learning Organization's scale based on Peter Senge's (1990) Learning Organizations Theory. The survey found that there is significant difference between the level of understanding of the Learning Organization concept among NGO leaders and professionals in most of the NGOs. The findings suggest that there is an urge among NGO management to practice learning in their respective NGOs by giving prime focus to learning organizational dimensions. It is quite essential to promote individual learning but the organization needs to learn how to learn together to ensure sustainability, professional enhancement and development.

Keywords: Learning Organization, NGO, learning Organization theory, sustainability, professional development.

INTRODUCTION

The purpose of the article is to study and evaluate learning organizational practices and its conceptualization among NGOs across the state that are engaged in developmental activities in Kerala. Learning organizations are always striving and work toward achieving their goals, satisfy shareholders, and develop a more achievable strategic plan by incorporating the experience and knowledge of its employees and partners. These are often by changing/ altering its policies, procedures, and systems. (Aiken and Britton 1997)

From the last few decades, the concept of the learning organization has increased its importance owing to increased competition and rapid changes in the business environment. While reviewing the literature it's been found that the organization which incorporates and practices learning organizational strategies is always at the top of the competitions and achievement. These organizations remain more innovative and progressively increase their productivity. Peter Senge (1990) in his book 'The Fifth Discipline' presents

detailed coverage of the core factors that can contribute towards building a learning organization and those are Personal Mastery, Shared Vision, System Thinking, Mental Models, Team Learning

According to Peter Senge learning organization is a place where people continuously update their knowledge and capacity to obtain the results they wish; this culture encourage and nurture new pattern of thinking, moreover, the outcome of collective efforts would make the employees realize the significance of team learning (Senge, 1990). Recently the term *organizational learning* was used to explain the concept of learning organization as a process or the capacity of the organization to attain access and update organizational memory by giving instructions for organizational action (Lin, 2008). According to Garvin (1993) learning organization is an organization capable of creating, transmitting, enhancing, and acquiring knowledge and updating its behavior to reflect new knowledge and insights (Garvin, 1993, P. 80)

In learning Organizations, learning takes place at the individual level, group level, and organizational level. It has got high recognition in the corporate world and is well-practiced and executed over there to increase the efficiency, effectiveness, and impact in developed countries.

The significance of learning organization has become the theme of many current books; as a result learning organization has become an interesting subject both in the profit sector and nonprofit sector. Many of the non-profit organizations in Europe and the United States have implemented learning practices and could achieve organizational development and improved organizational performance. The learning NGOs in the western world are practically professional with improved cohesion, increased adaptability, high impact of the organization, ability to retain and motivate staff, greater opportunities to be creative, and to initiate change.

REVIEW OF THE LITERATURE
The concept of non- profit organization

In most developed countries, the government fulfills the needs of the people to an extent but in many areas, they fail to focus and bring results. Thus governments are not always capable to respond to all needs of the people. Here derives the need for Non- Profit sector. The non-profit sector usually fills these gaps and provides the essential service to the needy people. (Bussin, 2013, 12.).

Just as the non- profit sector has different names to denote such as third sector, voluntary sector, the philanthropic sector, the social sector, and independent sector (Board Source 2010, 3) non- profit organizations also have been known in various names like non- governmental organizations, social enterprises and civil society organizations (Moxham, 2009, 741; Board Source 2010, 3)

Non- profit organizations provide a variety of services as charitable organizations, religious and fraternal organizations, social service agencies, environmental organizations, sports, recreational organizations, funding foundations, political parties, etc... (Epstein & Buhovac 2009, 4)

Around 40000 non- profit organizations are there in India. Though the service of nonprofit organizations in rural development is impeccable, the vast majority of the NGOs lack organizational innovations. Most of the non- profit organizations are a charity based and the majority of them lack organizational development and organizational innovativeness. Due to the lack of an organizational system, the vast majority of the NGOs are unable to achieve organizational goals and objectives. Inappropriate usage of human resource, untrained/skilled staff, inefficient quality measures, unclear and unshared vision, improper management system are the major causes which distract the NGOs away from its targets. Majority of the non- profit organizations are running with limited resources, incompetent operations, and limited measures of organizational performance (Light, 2000, 2002, 2005; Niven, 2008).

The concept of Learning Organization

Learning organizations are not just a management trend but also it enables work environments that are flexible to creative thinking and which can also embrace the innate ability of an individual's problem-solving skill in the context of organizational and work-related problems.

Learning organizations grant its employee's full freedom and independence to express their ideas and challenge the traditional work environment by creating a contemporary style, where the hierarchy is broken down and potential is heralded. Learn to learn together for the betterment of the whole is the basic concept behind this new paradigm (Rheem 1995, 10)

Organizational learning is slightly different and complex unlike individual learning, where the interdependence of organizational culture and social structure is required. (Lord &Ranft, 2000; Schwandt & Marquardt, 2000) All the efforts to create a conceptual/uniform definition of a learning organization is in vain on account of the lack of a clear and conscious explanation even after numerous discussions.

LEARNING IN INDIAN NON- PROFIT SECTOR

Literature is very limited on the effect of learning organizations in the NGO sector, particularly in India. Though certain concepts of a learning organization are practiced in some NGOs most of the NGOs lack a proper strategic plan and organizational objectives. The vast majority of the NGOs are charitable organizations and they don't have viable outputs. Most of them are highly relying on private donations particularly in Kerala. Organizational performance is some time left as a secondary concern when they are competing for donations and grants. The major obstacle against learning in NGOs is the lack of an appropriate organizational structure. They operate in an increasingly competitive context were to be sustainable is a critical challenge.

Learning organizational practices in the nonprofit sector is all most unknown in India. Though this practice has brought tremendous organizational changes in the corporate world, most of the nonprofit organizations do not practice learning among its employees and top-level management. Researchers are limited on the impact of learning organization's significance to assess organizational performance and organizational development in the nonprofit sector in India. However, there is no single solution, plan, model, or strategy to address the issues faced by non- profit organizations as the regions they belong to and the clients they serve are unique (McConnell, 2013).

The literature review has shown that no study has taken place elsewhere on the Learning Organization of the non profit organizations either in India or in Kerala. Hence, this is a unique research aims to identify the gaps that impede the non-profit sector's inability to achieve organizational development, find out the relationship between various dimensions of Learning Organization and its relationship to organizational performance among NGOs engaged in psycho social rehabilitation endeavors.

STATEMENT OF PURPOSE AND RESEARCH QUESTIONS:

The purpose of this cross-sectional survey is to develop an understanding of how and to what extent managers and professionals in NGOs throughout Kerala conceptualize learning organizational practices to manage their daily operations. To fulfill this purpose, the following research questions were addressed:

- What is a Learning Organization according to NGO professionals?
- What are the dimensions of the Learning Organization?
- How the understandings of learning organization practices are varied among NGO leaders and professional staff?

- What are the challenges do NGOs face in becoming a Learning Organization

RESEARCH METHODOLOGY

The prime objective of the study is to assess the level of learning organizational practices in the non-profit sector and also to identify the understanding of NGO managers and other professionals on the concept. Here the research design adopted is quantitative as it can provide greater descriptive information and analysis. Furthermore, the survey design can confer numerical information about the trends, attitude and the belief of a population by studying a small part or a sample of that population (Creswell, 2003; de Vaus, 2002; Jensen & Laurie, 2016).

Sampling

The study was used simple random sampling, where each unit in the population has an equal chance to become selected. 16 NGOs in Idukki district were identified using simple random sampling. From each organization, the survey selected managers, professional staff and supporting to answer the learning organizational questionnaire.

Survey Instrument

The survey instrument used in the study was the Learning Organization questionnaire. It is a five-point scale with 37 items. The questionnaire was designed to answer each research question and intend to measure five major constructs related to learning organizations as described by Peter Senge. They are namely personal mastery, mental models, team learning, shared vision, and system thinking.

Results

The overall purpose of this study was to develop an understanding of how the learning organization is practiced and the understanding of various learning organizational dimensions among staffs in NGOs in Kerala. Following are the statistical results found in the analysis:

Table 1

Statements	Total		Designation						F	Sig.
			MR		PE		SS			
	Mean	SD	Mean	SD	Mean	SD	Mean	SD		
Continuous Learning and Reflection	3.06	1.10	2.86	.967	2.89	1.06	3.42	1.18	4.191	.017
Pursuing professional development	3.00	1.09	2.86	.943	2.78	1.05	3.36	1.21	4.277	.016
Adherence to professional principles	3.00	1.09	2.84	.903	2.81	1.05	3.36	1.21	4.113	.018
professional development and organizational goals	3.04	1.21	2.93	.889	2.78	1.35	3.42	1.21	4.060	.019

Building vision and goals	2.98	1.05	2.93	.889	2.72	1.06	3.32	1.11	4.405	.014
Sharing ideas and organization vision	3.11	1.17	3.02	.988	2.83	1.23	3.48	1.18	4.307	.015
Acceptance of criticism	3.02	1.11	2.87	.967	2.78	1.08	3.42	1.17	5.181	.007
Equality in the organization	3.04	1.09	2.86	.967	2.83	1.04	3.42	1.17	4.723	.010
Action plans and needs and abilities of the beneficiaries	3.03	1.09	2.87	.967	2.82	1.04	3.42	1.17	4.944	.008
Professional practices and its impact in the organization.	3.42	1.31	3.33	1.18	3.76	1.24	3.12	1.42	3.397	.036

Source: Primary data

The perception about learning organization is presented in the Table. The result of analysis reveals that the mean and SD of first statement is 3.06 and 1.10 respectively. The mean and SD of sixth factor is 3.11 and 1.17 respectively. The result of analysis also tested with the help of One-Way ANOVA. The result of analysis reveals that there is significant difference in the learning organizational practices followed by NGO in Kerala. As the p value of test statistics is less than the alpha level of significance ($\alpha = 0.05$). Therefore the test result proved that there is significant difference in the learning organization practices followed by NGO in Kerala.

The Sheffe's test is conducted to test the homogeneity. The result of analysis is presented in the Table 2

Table 2 Learning organization practices- Sheffe's test

Respondents	Subset for alpha = 0.05		
	N	1	2
MR(Management Represetitives)	45	2.8667	
PE(Professionaly Educated)	55	2.8909	2.8909
SS(Supporting Staff)	50		3.4200
Sig.		**.994**	**.053**

Source: Primary Data

The result of homogeneous subsets using Scheffe's test reveals that perception of PE and SS in relation to learning orgranisation practices are homogeneous. The mean score of SS is higher than the MR and PE. MR is a different set in the entire respondent group.

Discussion & Suggestions:

The major purpose of this cross-sectional survey study was to develop an understanding of how the practice of learning organization is understood and conceptualized among NGO managers, professional staff, and supporting staffs in NGOs in Kerala.

The results above show that the understanding of learning Organization is varied among NGO professionals. There is a striking difference in understanding of learning Organization Practices among NGO managers as they understand that organizational learning is much important than becoming a learning organization or they fail to understand the difference between learning Organization and organizational learning. However professional staff understands both learning organization and organizational learning. They believe that organizational learning involves various learning activities which subsequently give rise to Learning Organizations. On the other hand, though supporting staffs do not have a good understanding of learning Organization but they get involved in various learning activities and shows agreement with professional staff in its conceptualization, need and execution.

According to the result of the study, the meaning of learning organization is well understood by the professional staff and supporting staff in most of the NGOs but NGO Managers don't have a comprehensive understanding of the concept of the learning organization

The next level of thought is the practice of various dimensions of learning organizational practices in the NGOs under study. According to the result discussed above, the need for continuous learning, professional development, shared vision and mission, positive criticism, equality in the organization are prominent and most important factors as per the Professional staff and supporting staff in each of the NGOs participated in the survey. Bu the response made by NGO managers is entirely different from what the two other sections of the respondents. The study found that most of the NGOs participated in the survey has got a traditional hierarchy where a single person or a group of people are the decision-makers. According to peter senge, the very first thing needed to create a learning organization is the effective leadership. However, the leadership should not be following the traditional hierarchical order, rather than it should be the combination of people from all the levels who can lead the organization in different ways. Secondly, the people working for a shared vision should have the realization of their innate abilities to find solutions to the problems and to create a successful future. As Gephart and associates say, "the culture is the glue that holds an organization together;" The culture of an organization depends on its openness and trust, where employees receive constant support and rewards for learning and innovations, and the organization also promote experimentation, risky attempts, and values, moreover the well-being of all employees (Gephart 1996,39). If the vision of the organization is shared among the employees it may contribute to team learning and which in turn pave the way for the organization to transform to the learning organization

According to the analysis and result, the following are the few suggestions to make the NGOs Learning Organizations:

- Promote an environment favorable for continues learning
- Encourage regular enquires and conversations
- Support and promote team learning and collective efforts
- Develop a system of sharing knowledge
- Empower people towards   the shared vision
- Connect the Organization to Its Environment
- Provide Strategic Leadership for Learning

CONCLUSION

All the NGOs who participated in the survey are not true learning organizations, but the majority of them practice this concept in one way or another. Learning organizations can be viewed as a commitment to

share and learn knowledge for the development of individual teams and the organization. This commitment is achievable only through aligning the individual goals and vision with the organizational goals and vision. Moreover, an individual should be able to interpret and predict the changes in the business environment. It says, to input the knowledge the individual and the organization should be ready to learn. The learned knowledge should be processed through system and practices and the processed knowledge should be transformed into an output form. In this context, while analyzing the result, it's been found that the understanding and practice of learning organization is varied among NGOs which participated in the survey. According to Peter Senge, all learning organization dimensions are interrelated and interconnected. Team learning is not possible unless and until employees are ready for individual learning and to attain personal mastery. Positive and healthy mental models are developed when an organization is working together to achieve a shared vision through a constant learning process. System thinking connects the whole organization with its subunits. Therefore the conceptualization of learning organizations without any of these dimensions cannot transform the NGO as a Learning Organization. Again it is the responsibility of each organization, who is aspiring for development to continuously update their knowledge and capacity to obtain the results they wish; this culture encourage and nurture new pattern of thinking, moreover, the outcome of collective efforts would make the employees realize the significance of team learning (Senge, 1990). As Senge says, the organizations that strive to shift into a learning organization should see themselves as connected to the world rather than seeing them as separate. Finally, an organization should capable to identify the challenges and obstruct that the people's rationale defensively. Until then the change never happens. Everyone should learn the steps to identify define and solve the problem. It is essential for the nonprofit sector to become a learning organization to withstand all the impediments to achieve professional development and organizational sustainability. So practicing the essence of a learning organization, conceptualizing its meaning and professional execution of all its dimensions can ensure a constant learning environment in the nonprofit sector. Since NGO are doing great service to the nation and humanity, it is an absolute need to see them as learning Organizations.

Reference

1. Aiken, Mike, and Britton, Bruce (1997), 'The Learning Organization and the Voluntar Sector', in Janice Cook et al. The Learning Organization in the Public Services, Gower.
2. Bussin, M. 2013. Performance Management for Government, Universities, Schools and NGOs :Practical and Informative Textbook for Managing Performancein Service Deliveryorientated Organizations. Randburg: KR Publishing. BoardSource. 2010. The Handbook of Nonprofit Governance, John Wiley & Sons, Incorporated.
3. Creswell, J. W. (2003). Research design: Qualitative, quantitative and mixed methods approach (2nd ed.). Thousand Oaks, CA: Sage.
4. De Vaus, D. A. (2002). Surveys in social research (5th ed.). St. Leonards, Australia: Allen & Unwin.
5. Epstein, M. J. &Buhovac R. A. 2004. Performance Measurement of Not-For-Profit Organizations. The Society of Management Accountants of Canada and the American Institute of Certified Public Accountants Garvin, David A. (1993), 'Building a Learning Organization', Harvard Business Review,July~Aug: 78-91.
6. Gephart, M. A., Marsick, V. J., Van Buren, M. E., & Spiro, M. S. (1996). Learning organizations come alive. *Training and Development, 50*(12), 34-44.
7. Jensen, E. A., & Laurie, C. (2016). Doing real research. London, UK: Sage.

8. Light, P. C. (2000). *Making nonprofits work*. Washington, DC: The Brookings Institution.
9. Light, P. C. (2002). *Pathways to non-profit excellence*. Washington, DC: Brookings Institution Press.
10. Light,P.C.(2005). Searching for social entrepreneurs: Who they might be, where they are found, what they do. Retrieved February 10, 2009 from http://www.wagner.nyu.edu/performance/files/Searching%20for%20Social%20Entrepreneurship.pdf
11. Lin, H. F. (2008). Empirically testing innovation characteristics and organizational learning capabilities in e-business implementation success. *Internet Research*, *18(1),* 60-78.
12. Lord, M., &Ranft, A. (2000). Organizational learning about new international markets *Journal of International Business Studies, 31*, 573-589.
13. Moxham, C. 2009. Performance measurement: Examining the applicability of the existing body of knowledge to nonprofit organizations. International Journal of Operations &Production Management, 29 (7), 740-76.
14. Mc Connell, T. (2013). The NPO dilema: HR and Organizational challenges in non profit organizations. *The Philanthropist* , 25(1),47-55.
15. Niven, P. R. (2008). *Balanced scorecard: Step-by-step for government and non-profit agencies* (2nd ed.). Hoboken, NJ: Wiley.
16. Rheem, Helen. Mar./Apr. 1995. *The Learning Organization*. Harvard Business Review, Vol. 73, No. 2, p. 10.
17. Senge, Peter. 1990. The Fifth Discipline: the Art and Practice of the Learning Organization. New York: Doubleday.
18. Senge, Peter. Dec. 1996. *Leading Learning Organizations*. Training & Development, Vol. 50, No. 12, pp. 36-4.
19. Schwandt, D., & Marquardt, M. (2000). *Organizational learning*. New York: St. Lucie.

Annexure:

Descriptives						95% Confidence Interval for Mean			
		N	Mean	Std. Deviation	Std. Error	Lower Bound	Upper Bound	Minimum	Maximum
Continuous Learning and Reflection	1.00	45	2.8667	.96766	.14425	2.5759	3.1574	1.00	5.00
	2.00	55	2.8909	1.06585	.14372	2.6028	3.1790	1.00	5.00
	3.00	50	3.4200	1.17959	.16682	3.0848	3.7552	1.00	5.00
	Total	150	3.0600	1.10052	.08986	2.8824	3.2376	1.00	5.00
Pursuing professional development	1.00	45	2.8667	.94388	.14071	2.5831	3.1502	1.00	5.00
	2.00	55	2.7818	1.04865	.14140	2.4983	3.0653	1.00	5.00
	3.00	50	3.3600	1.20814	.17086	3.0167	3.7033	1.00	5.00
	Total	150	3.0000	1.09911	.08974	2.8227	3.1773	1.00	5.00
Adherence to	1.00	45	2.8444	.90342	.13467	2.5730	3.1159	1.00	5.00
	2.00	55	2.8182	1.05569	.14235	2.5328	3.1036	1.00	5.00

professional principles	3.00	50	3.3600	1.20814	.17086	3.0167	3.7033	1.00	5.00
	Total	150	3.0067	1.08990	.08899	2.8308	3.1825	1.00	5.00
professional development and organizational goals	1.00	45	2.9333	.88933	.13257	2.6661	3.2005	1.00	5.00
	2.00	55	2.7818	1.35661	.18293	2.4151	3.1486	1.00	5.00
	3.00	50	3.4200	1.21370	.17164	3.0751	3.7649	1.00	5.00
	Total	150	3.0400	1.20892	.09871	2.8450	3.2350	1.00	5.00
Building vision and goals	1.00	45	2.9333	.88933	.13257	2.6661	3.2005	1.00	5.00
	2.00	55	2.7273	1.06205	.14321	2.4402	3.0144	1.00	5.00
	3.00	50	3.3200	1.11465	.15764	3.0032	3.6368	2.00	5.00
	Total	150	2.9867	1.05542	.08617	2.8164	3.1569	1.00	5.00
Sharing ideas and organization vision	1.00	45	3.0222	.98832	.14733	2.7253	3.3191	1.00	5.00
	2.00	55	2.8364	1.22872	.16568	2.5042	3.1685	1.00	5.00
	3.00	50	3.4800	1.18218	.16719	3.1440	3.8160	2.00	5.00
	Total	150	3.1067	1.17094	.09561	2.9177	3.2956	1.00	5.00
Acceptance of criticism	1.00	45	2.8667	.96766	.14425	2.5759	3.1574	1.00	5.00
	2.00	55	2.7818	1.08339	.14608	2.4889	3.0747	1.00	5.00
	3.00	50	3.4200	1.17959	.16682	3.0848	3.7552	1.00	5.00
	Total	150	3.0200	1.11410	.09097	2.8403	3.1997	1.00	5.00
Equality in the organization	1.00	45	2.8667	.96766	.14425	2.5759	3.1574	1.00	5.00
	2.00	55	2.8364	1.04993	.14157	2.5525	3.1202	1.00	5.00
	3.00	50	3.4200	1.17959	.16682	3.0848	3.7552	1.00	5.00
	Total	150	3.0400	1.09838	.08968	2.8628	3.2172	1.00	5.00
Action plans and needs and abilities of the beneficiaries	1.00	45	2.8667	.96766	.14425	2.5759	3.1574	1.00	5.00
	2.00	55	2.8182	1.03800	.13996	2.5376	3.0988	1.00	5.00
	3.00	50	3.4200	1.17959	.16682	3.0848	3.7552	1.00	5.00
	Total	150	3.0333	1.09555	.08945	2.8566	3.2101	1.00	5.00
Professional practices	1.00	45	3.3333	1.18705	.17696	2.9767	3.6900	1.00	5.00
	2.00	55	3.7636	1.24668	.16810	3.4266	4.1007	1.00	5.00
	3.00	50	3.1200	1.42342	.20130	2.7155	3.5245	1.00	5.00

and its impact in the organization.	Total	150	3.4200	1.31215	.10714	3.2083	3.6317	1.00	5.00

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Continuous Learning and Reflection	Between Groups	9.735	2	4.867	4.191	.017
	Within Groups	170.725	147	1.161		
	Total	180.460	149			
Pursuing professional development	Between Groups	9.898	2	4.949	4.277	.016
	Within Groups	170.102	147	1.157		
	Total	180.000	149			
Adherence to professional principles	Between Groups	9.380	2	4.690	4.113	.018
	Within Groups	167.613	147	1.140		
	Total	176.993	149			
professional development and organizational goals	Between Groups	11.398	2	5.699	4.060	.019
	Within Groups	206.362	147	1.404		
	Total	217.760	149			
Building vision and goals	Between Groups	9.384	2	4.692	4.405	.014
	Within Groups	156.589	147	1.065		
	Total	165.973	149			
Sharing ideas and organization vision	Between Groups	11.308	2	5.654	4.307	.015
	Within Groups	192.985	147	1.313		
	Total	204.293	149			
Acceptance of criticism	Between Groups	12.178	2	6.089	5.181	.007
	Within Groups	172.762	147	1.175		
	Total	184.940	149			
Equality in the organization	Between Groups	10.853	2	5.426	4.723	.010
	Within Groups	168.907	147	1.149		
	Total	179.760	149			
Action plans and needs and abilities of the beneficiaries	Between Groups	11.272	2	5.636	4.944	.008
	Within Groups	167.562	147	1.140		
	Total	178.833	149			
Professional practices and	Between Groups	11.333	2	5.666	3.397	.036
	Within Groups	245.207	147	1.668		

its impact in the organization	Total	256.540	149			