Learning Dynamics in Transformational Change: A Study of Workforce Behavior in the Developing Economies

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Abstract

Organizational and individual learning are two different concepts in contemporary organizational theory. Organizational learning is a difficult concept which needs to be further elucidated for organizational practitioner at actual work setting; especially in the developing countries like Pakistan. This paper reviews the literature on organizational learning in transformational change, and the comparative learning processes in the developed and developing economies. Furthermore, we are dealing here with the proposed learning cycle in strategic change process with special reference to the developing countries.

Keywords: Learning cycle, Transformational change, Innovation, Learning Dynamics

1. Introduction

There is a difference of opinions amongst the theorists in the field of organizational development regarding organizational change and learning processes. It is difficult and in some cases impossible to decide about the exact relationship between these two concepts; that whether learning generates the change, or change process generates the learning in the organizational setting. It is true that many recent investigations have focused on the generation as well as behavior of different human resource variables in learning process. However, it is still mandatory for the managers, especially in the context of the developing countries to understand the basic notion of learning, including learning process and its dynamics in the framework of complex environments.

The organizational development techniques and adaptation of Information and Communication Technology (ICT) are the main reasons behind the business improvements in the developed countries. With the application of these new methods; new forms of the organization have emerged e.g. "Virtual organization", "Holonic organization", "learning organizations", "Inter-organizational networks" etc [48]. Most of the managers in the developing countries are familiar with these emerging concepts but their application in existing organizational structure is still a problem for them due to environmental volatility, complex human nature and some other contaminating factors.

To cope with these contaminating factors and to bring a change in the organizations of the developing countries, suitable techniques of contemporary change management are required. These contemporary techniques should be developed after a comprehensive analysis of the environmental dynamics and should clearly identify the requirements of the organizations existing in complex and volatile situations.

These new techniques would generate new knowledge in the organization. With the application of newly generated knowledge, the continuous change process would be initiated in the organizational setting. This continuous change process could facilitate the generation of learning organizations in the developing countries.

The transformational change is a key characteristic of the learning organization. The transformation is a form of organizational change that focuses on the continuous improvement of organization by adopting new structures. Appropriate techniques of organizational development and continuous learning process are essential components of transformational change. There is a beginning and ending point of the learning process in different transitions of the transformation. It is important especially in the context of the developing countries to understand the behavior of learning curve during the transformation process.

The main purpose of this research paper is to understand the learning process through the analysis of learning cycle in the context of the developing countries. The other important aspect of this research is the analysis of workforce in continuous change process and their learning behavior in different transitions of the transformational change process.

2. Literature review
2.1. What Is Organizational Change?

Environmental conditions and managerial decisions work together to establish a basic pattern of activity in organizations [5]. With a continuation of these activities, shared understanding of this basic pattern is established in the organization [27]. This type of shared understanding acts to develop the organizational inertia [16]. The inertia is the level of commitment of the organization to its current strategies. To break this inertia, according to the researchers, change in organizations is essential. According to [47] *c*hange is a difference in the form, quality, or state over time in an organization's alignment with its external environment. In contemporary organizational paradigm, change is present in every part of the organizational activities [37].

The major problem in studying the concept of change is the lack of its adequate definition. However, various organizational researchers have attempted to define this concept from a variety of perspectives. Meyer [26], for example focuses on the need of the organizational change. Some others have considered different theories as a basis of organizational change e.g. institutional theory [33] and Neo institutional theory [8]. Behavior of the change process and its procedures are discussed in [6]. In addition to this, other significant contributions have been made by [12]; [15] and [46]. Kanter [21] defines organizational change as "The Shift in behavior of the whole organization, to one degree or another (p.11)". Ven and Poole [47] have similar opinion on the fundamental definition of change. They described organization change in the following manner, "change, one type of event, is an empirical observation of difference in form, quality, or state over time in an organizational entity (p.512).

In addition to defining the concept of organizational change, different researchers in their subsequent research studies attempted to analyze different aspects of organizational change for example [35], who has discussed various strategies for successful change management; [43] discussed the sources of organizational change; [41 focused on the role of leadership in change management; and [45] concentrates upon the importance of change in organizational setting. Some other researchers for example [31]; and [22] in their subsequent studies concentrated upon the role of conflicts and resistance in change management.

2.2. Organizational Transformation

The Greek word "metanoia" explains the meaning of transformation well. It literally means "beyond the mind." It's an idea of stretching or pushing beyond the limits in which we normally think and feel. It indicates a profound change in mind, a radical revision or transformation of our whole mental process or a paradigm shift.

In the framework of organizational change different organizational theorists have defined this concept in a variety of ways e.g. [38] called it generative learning and [29] discussed it as large scale system change. Researchers in [44] described it as reorientation, [40] strategic change, [28] quantum change, [3] double loop learning, and [13] used the expression of 'Gamma change' to explain the notion of transformational change in organization. The framework of organizational transformation is given by Head [17] who contends that transformation is a process having formalized steps for renewal of the organization by implementing modern, suitable and compatible systems, structures and cultures and removing the organizational components that do not work.

2.2.1. Difference between Transformational Change and Other Types of Organizational Change

In contemporary management, researchers have identified more than one kinds of change which need to be handled in different ways. According to the management literature, there are three basic types of organizational change. These are incremental change [1], transitional change [20], and transformational change [23]. Incremental or developmental change improves what the business is currently doing, rather than creating something new. Transitional change replaces what already exists with something completely new. The organization must dismantle and emotionally let go the old ways of operating while the new state is being put into place [9]. Transformational change, introduces new and radically different forms of organization's mission, culture and leadership [1]. It includes both radical and incremental changes [6]. Transformation of the organization is a continuous process. It focuses on continuous improvement by restructuring, strategic goal setting, effective leadership and continuous improvement in the human side of the organization.

2.3. Organizational Learning

Organizational learning is the capacity or processes within an organization to maintain or improve performance that is based on experience [32]. Tobin [42] considers this phenomenon as "transformational learning" that is identification, acquisition and application of information that enables an organization and the people within that organization to reach their goals (p.10). According to him, to undertake transformational learning one must discover what he needs to know i.e. uncover their area of unconscious ignorance, and to locate the information they need, and, lastly, to apply that information into their work.

In the literature on organizational learning various researchers have discussed different steps of the learning process. Huber [18], for example, describes four steps in the learning process: knowledge acquisition, information distribution, information interpretation, and organizational memory.

In the above mentioned steps of learning, knowledge acquisition is a process of obtaining the knowledge of work related dimensions. Information distribution is a process of distributing and sharing the information with others that leads to understanding and new information generation. Information interpretation is the process by which distributed information is given

one or more commonly understood interpretations. In the last step, knowledge is institutionalized for future use.

Moore [30] identifies the learning process into six important steps, outlined as the following:

1. 'Pre-contemplation stage' in which employees have no idea about the problems and their deficiencies in knowledge areas.
2. 'Contemplation stage' in which employees have some information about the problem area, but they are not committed to take action and change their behavior and attitude.
3. 'Preparation/determination stage' in which employees are ready to change their behavior, and to obtain new knowledge in near future. In this stage, employees of the organization are determined to increase their self-efficacy and commitment for upcoming actions.
4. 'Action stage' in which employees modify their behaviors to overcome the problems.
5. 'Maintenance stage' in which employees are continuously engaged in knowledge generation and acquisition for a longer period of time, until and unless they have achieved their targets.
6. 'Termination stage' in which employees achieved their desired targets. In this stage the behaviors and actions of employees are totally changed and there is no learning after this point in time.

Organizational learning is a complex phenomenon in organizational transformation. In-depth discussion on this concept is beyond the scope of this research, but as far as the relationship of learning and transformation is concerned, organizational learning has strong relationship with organizational transformation and change. According to [10], organizational learning has influenced a change in many basic dimensions of the contemporary organization. It has modified the organizational structure from vertical to horizontal [34]; changed the control system from formal to an information sharing system [19]; [36], and altered the business strategies from competitive to collaborative [24]. Therefore, in most of the postmodern organizations, all the stakeholders are engaged in identifying and solving problems, and enabling the organization to continuously experiment to improve and increase its capabilities [7].

3. Research methodology

The qualitative research methodology has been adopted for this research with the objective of analyzing the notion of organizational learning in the novel context of the developing countries. The learning processes of different geographies have been analyzed to understand the distinguishing behavior of the workforce during the process of organizational learning. The outcomes of this research are purely fundamental in nature and applicable to most of the business organizations of the region.

4. Learning cycle in the developing economies

Learning is a developmental process with specific beginning and ending. In organizational development, learning process goes side by side with strategic change process. Strategic change consists of different transitional phases, and learning process can start or stop at any point among these transitional phases. Beginning of the transitional phase is not an indicator of the start of the learning process or vice versa. The second important factor is the learning behavior of the workforce in strategic change process. Learning behavior of the workforce in different work environments is not the same. This difference in learning behavior is due to their difference in education, skills, opportunities; and motivational factors etc. This difference of learning remains dynamic in various transitions of the transformation process.

4.1. Inception of the Learning Process

In the contemporary era of learning organization, learning process does not start from scratch. The reason is that, most of the organizations have developed human resource with up-to-date knowledge. In these organizations learning process starts at a point where human resource receives new knowledge, skills, and wisdom. In developing countries, the learning process of the workforce starts comparatively at lower level with respect to the workforce of the developed countries.

4.2. Learning Acceleration

Learning acceleration during the transformational change is the process of speeding up of learning process in workforce during transitional phases. At the beginning of the first transitional phase, the learning process is relatively quick in most of the work environments. With the passage of time, the intellectual development of the workforce decreases and in some cases reaches at zero level. This decrease in the learning process can start at any point in transformational change process.

In the developing counties like Pakistan, different researchers like [25] during their research on textile sector manufacturing, as well as other SME sector, have observed a unique behavior of the workforce that leads to the negative learning. This negative learning process may not be observable at the beginning of the change process, but, if a change effort fails or is not as successful as expected, one can observe this behavior. The reason of this behavior is that the failure in change effort produces de-motivation amongst the workers and they consider their efforts for change as a fruitless activity.

4.3. Learning Gap

Learning gap is the difference between the learning curves of the different workforce in the organizational setting. At the start of the first transitional phase in both the environments of developing as well as the developed countries, the learning acceleration would be in the favor of workforce of the developing countries. Due to this favorable acceleration, the amount of knowledge gained by the workforce of the developing countries is more than the quantity of the knowledge gained by the workforce in the developed countries. So, the learning gap is filled more rapidly by the workforce in the organizations of the developing countries.

In the following transitional phases, the learning acceleration of the workforce in different work environments approaches to the equivalent level and at that point, learning gap is zero. After this point the learning gap will shift in the favor of workforce of the developed countries due to their comparative advantages in different change variables.

4.4. Learning Maturity in Strategic Change

Learning maturity is a point in different transitions where the learning acquisition of the workforce is at its maximum level. After this point, learning process goes to diminish. It is not mandatory that the maturity of the transition phase in strategic change process should also be the maturity stage for the learning process. Maturity points of learning process lie anywhere in the transitional curve. The main reason is that the behavior of the learning curve is different from the behavior of the transitional curve in transformational change process. In one transition the learning process would mature at the middle of the transition process while, in the other cycle the learning process might mature at the end of the transition. It totally depends upon the learning

behavior of the employees.

5. Organizational transformation through knowledge innovation

Whether learning generates a change, or change process generates the learning; is a matter of debate. Most of the contributors in the field of organizational theory considered transformational change as a kind of learning. Russell Ackoff [2] says that, transformation is a change in mindset. It is based on learning; a system of profound knowledge and taking actions with knowledge and courage.

All the view points of different contributors demonstrate that transformational change and continuous learning go side by side, and both of them reinforce each other. As mentioned earlier, the transformation process starts with a strong base of knowledge. To continue this process, innovative knowledge, and contemporary learning is required during every transition. This is due to the fact that every shift in the paradigms during transformation identifies new variables, and creates new challenges and opportunities for the organizations.

6. Conclusion

With the advent of globalization, the term multinational enterprise has become outdated. Most of the organizations of advanced industrial countries are now operating all over the world. These organizations need special understanding of the environmental characteristics while entering the markets of the developing countries. Organizational environments of the developing countries should also be transformed and learning processes must be initiated to develop the workforce through training and skills enhancement exercises. All this transformation is required due to the learning gap between different organizational environments.

The study of learning dynamics in the developing economies provides a lens to analyze the learning process. Most of the previous works on organizational learning deal with the theories conceptualizing different dimensions of the learning process e.g. [11] and [4] deal with the basic definitions and characteristics of learning process,[14] presents individual learning; and [39] discusses the typologies of organizational learning systems etc. However, significant contribution of this study is the identification of learning cycle and learning potential of workforce during the transformational change process, in the developing countries. It, therefore, provides a theoretical basis for the study of learning dynamic in organizational transformation process. Being a conceptual study this also needs to be empirically tested in the future researches.

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