

# How Types of Organisational Cultures Contribute in Shaping Learning Organisations

Hasan Danaee Fard  
Ali Asghar Anvary Rostamy  
Hamid Taghiloo  
*Tarbiat Modares University*

## Abstract

The main purpose of this empirical study is to examine the relationship between four types of organisational cultures and the shaping learning organisation. In this study, we have selected two groups of public organisations (more successful and less successful public organisations). The sample of this study comprises senior employees of these two groups. Results of Spearman Rank Correlation and Fridman tests reveal that there is a significant correlation between organisational cultures and learning organisations in Iranian public organisations. In addition, we found that although participative culture has a higher correlation coefficient, but learning culture has the highest ranking among different types of cultures.

**Key Words:** Learning organisation theory, Learning public organisations, Organisational culture, Bureaucratic culture, Competitive culture, Participative culture, Learning culture

## Introduction

This article investigates how types of organisational cultures contribute in shaping learning organisation in the public service system. Organisational culture has been defined from various perspectives (Carroll and Nafukho, 2006; Popper and Lipshitz, 1995; Shien, 1990; Alvesson, 2002; Cook and Yanow, 1993; Adler and Jelinek, 1996; Argris, 1999). For example, according to Marguardt (2002), culture is “an organisation’s values, beliefs, practices, rituals and customs”. The culture of a learning organisation habitually learns and works to integrate processes in all organisation functions. In effect, the learning organisation’s culture is constantly evolving and travels along an infinite continuum in a harmonious learning environment. Ultimately, the goal is an exchange of useful knowledge leading to innovation, and improved learning public organisations.

All organisations, including public organisations, must be adaptive in a rapidly changing environment, if they wish to continue their businesses

The key to the survival of organisations is learning, not individual learning itself, but emerging learning in the organisation. Organisation learning is different from learning organisation (Örtenbland, 2001; Dodgson, 1993; Kim, 1993; Shrivastva, 1983; Gardiner and Whiting, 1997; Dymock and McCarty, 2006). Thus, researchers have focused on applicability of learning organisation theory in practice. Many researchers study its application in private organisations and the factors for promoting it (Dymock and McCarty, 2006; Chang and Lee, 2007; Chouek and Armstrong, 1998; Savalainen, 2000; Huber, 1991; Jacobs, 1995) but few studies have been conducted about how public organisations can become learning organisations. Accordingly, most of the researchers believe that learning increases the performance of organisations.

Some studies have looked at performance and sustained competitiveness (Lo'Pez et al, 2006). Coutu (2002) stated: "We don't know a lot about organisational learning. Sure, we know how to improve the learning of an individual or small team, but we don't know how to systematically intervene in culture to create transformational learning across the organisation". This statement supports the need to continue the study of culture as a variable that facilitates and support the shaping of learning organisations. Previous researchers (for example, Carroll and Nafukho, 2006; Popper and Lipshitz, 1995; Aksu and Ozdemir, 2005; Dension and Mishra, 1995; Chang and Lee, 2007) have studied about culture, but not various cultures and effects on promoting performance.

In Iran, the performance of public service organisations is low. We think that one of the most important reasons for this is that the Iranian public service organisations suffer from lack of a kind of organisational culture that promotes learning in these organisations. In other words, Iranian public service organisations need to change to become learning organisations. Accordingly, we suggest that Iranian public organisations have to shape learning organisations by building a learning culture.

The purpose of this study is to investigate the relationships between types of cultures (bureaucratic, competitive, participative, and learning culture) as an independent variable, and learning organisation as a dependent variable.

## **Literature Review**

### ***Organisational Culture***

According to researchers, within any society, organisation members similarly engage in rituals, pass along corporate myths and stories, and use arcane jargon, and these informal practices may foster or hinder management's goal for the organisation (Baker, 1980; Deal and Kennedy,

1982; Peters and Waterman, 1982). Various private or public organisations come with their inherent culture to influence the organisational operation. Schein (1990) states that organisational culture consists of two layers of concepts, namely, visible and invisible characteristics. The visible layer means external building, clothing, behaviour modes, regulations, stories, myths, language, and rites. On the other hand, the invisible layer means common values, norms, faith, and assumptions of business organisational members.

In the current management literature on organisational culture (for example, Deal and Kennedy, 1982; Peters and Waterman, 1982) which includes the work of Schein (1990), culture is widely understood as an instrument to be used by management to shape and control in some way the belief, understandings, and behaviours of individuals, and thus the organisation to reach specified goals. Therefore, a number of definitions for any organisational culture have been proposed (for example, Kilman et al, 1985; Uttal, 1983). Many studies have been conducted about the impact of organisational culture on different variables in the organisational setting. In such research, for example, the impact of organisational culture on job satisfaction (Lund, 2003), individual learning (Aksu and Ozdemir, 2005), organisational effectiveness (Denison, 1990; Denison and Mishra, 1995), leadership (Kasper, 2002; Chang and Lee, 2007; Schein, 1992), organisational problem-solving (Bate, 1984), creativity (Koberg and Chusmir, 1987) organisational commitment (Lock and Crawford, 1999), organisational performance (Wilkins and Ouchi, 1983), TQM (Pool, 2000) communication and information (Brown and Starkey, 1994).

In our research, we applied Hellringle and Slocam's typology of organisational culture. (See Figure 1).

### **Learning Organisation**

Learning is the power of growth, and individual learning is the resource of business growth (Chang and Lee, 2007). Based on the organisation metaphor in organisation theory, Senge (1990) introduced learning organisation theory. The academic definition of the learning organisation covers individual, group, and organisational learning with the effort for organisational and individual learning (Argris and Schon, 1978; Dodgson, 1993; Kim, 1993; Popper and Lipshitz, 1995; Shrivastva, 1983; Small and Irvine 2006). It is a type of collective activity to reach the organisation's shared vision. Many books (for example, Dixon, 1994; Garratt, 1990; Armstrong and Foley, 2003; Senge, 1990) have been published about the learning organisation and many research papers have presented the impact of various variables on learning organisations (for

example, Carroll and Nafukho, 2006; Leitch et al, 1996; Gardiner and Whiting, 1997; Hall, 2001; Örtenbland, 2004; Edmondson and Moingeon 1998).

### **Conceptual and Operational Models**

In this research, we focus mainly on five dimensions of learning organisations: personal mastery, improving mental model, building shared vision, team building, and systematic thinking proposed by Senge (1990), as criteria for measuring the learning organisation. There are various typologies of organisational cultures (Kono and Clegg, 1998). In this research, we study the relationship between organisational culture and shaping learning public organisations. Also, in order to determine the highest priority culture, we used Hellringel and Slocum's organisational cultures' typology (1994). Figures 2 and 3 show the conceptual and the operational framework of this research.

### **Research Methodology**

#### ***Research Hypotheses***

This research is based on a descriptive-analytical survey. Based on the literature review and the research conceptual framework (*see Figure 2*), the following research hypotheses are defined as:

*H1*. There will be a significant relationship between organisational cultures and degree of shaping learning organisations.

*H11*. There will be a negative significant relationship between bureaucratic culture and degree of shaping learning organisations.

*H12*. There will be a negative significant relationship between competitive culture and degree of shaping learning organisations.

*H13*. There will be a positive significant relationship between participative culture and degree of shaping learning organisations.

*H14*. There will be a positive significant relationship between learning culture and degree of shaping learning organisations.

#### ***Measurements and Instruments***

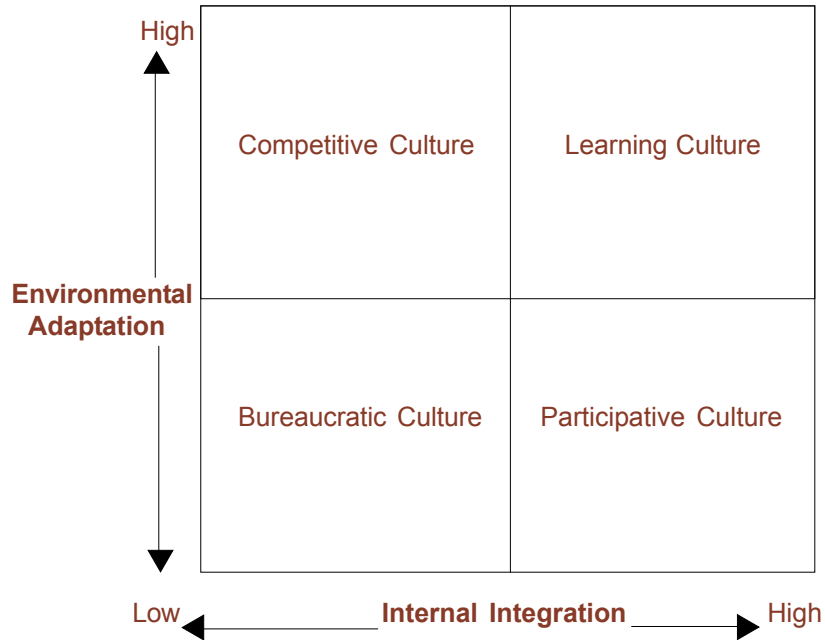
The instruments of this study are:

1) A Likert 30-item questionnaire, which was designed to assess the organisation in terms of a learning organisation

2) A Likert 27-item questionnaire, which was designed to assess the organisational culture.

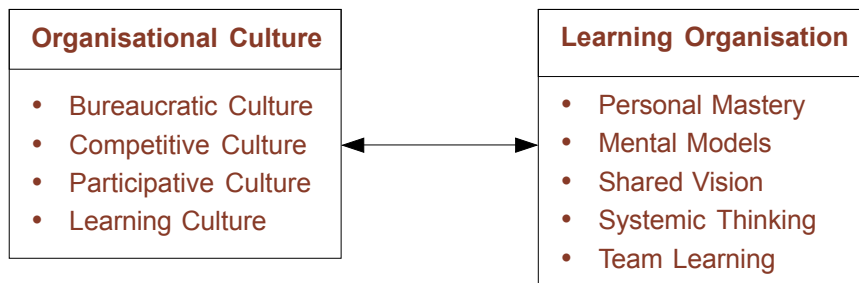
With the major contribution from Senge (1990), we have selected the five dimensions of Personal mastery, Mental models, Shared visions, Systems thinking, and Team learning to measure a learning organisation.

**Figure 1: Four Types of Organisational Culture**

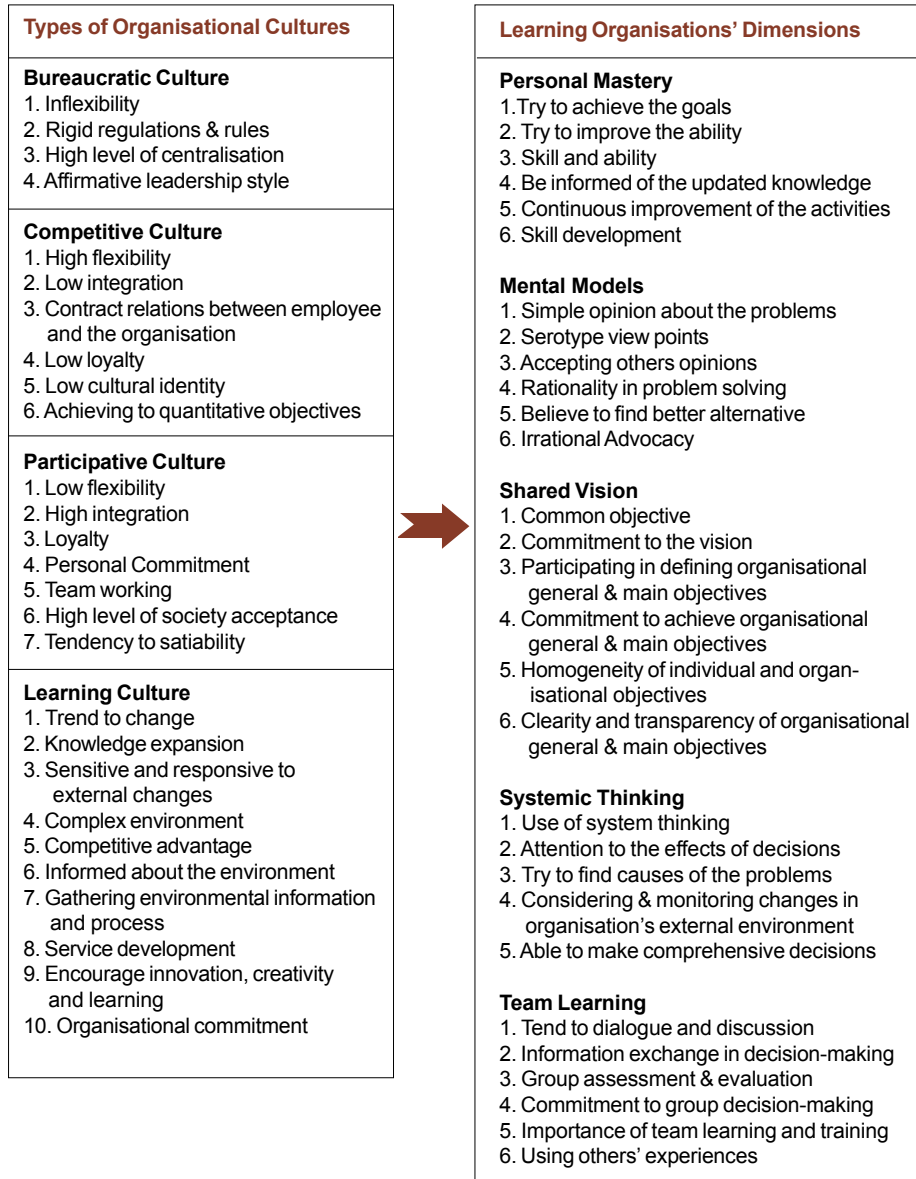


Source: Hellrigle and Slocum, 1994. Management, 6e. New York: Addison Wesley

**Figure 2: The Conceptual Framework**



**Figure 3: The Operational Framework**



In order to measure the organisational culture, we have focused on Hellrigle and Slocum's typology of organisational culture.

Two instruments (learning organisation and organisational culture) utilised a five- point scale that ranged from "strongly disagree" to "strongly agree". The first version of the questionnaire was originally pilot-tested on a group of 30 participants for more clarity. Furthermore, a group of 10 experts in the human resource departments of public organisations reviewed the instruments for content validity. The revised version of the instruments was then administered to two groups of Iranian public organisations.

In this study, we have selected two groups of public organisations, namely, the more successful and less successful public organisations. The sample of this study comprises senior employees of these two groups which totaled 140 participants.

Reliability tests were conducted and the instruments were further refined and expanded. As stated earlier, in its final format, the learning organisation questionnaire consisted 30 items, and organisational culture questionnaire consisted of 27 items. The overall reliability of the first questionnaire that is measured by Chronbach Alpha Coefficient was 94 per cent and the reliability of the second questionnaire was 85 per cent. Finally, in order to test the hypotheses, the Spearman Rank Correlation and Friedman Ranking tests were applied.

Table 1 and 2 show the dimensions of learning organisations (Senge, 1990) and the dimensions of organisational culture and their definitions (Hellrigle and Slocum, 1994).

### **Statistical Analysis Results**

Table 3 shows the result of the Spearman Rank Correlation test and Table 4 explains the priority ranking of different organisational cultures in Iranian public organisations.

According to Table 3, we found the following results in terms of our research hypotheses at a significant level of 5 per cent:

- There is a significant positive relationship between organisational cultures and the degree of shaping learning organisations.
- There is a significant negative relationship between bureaucratic culture and the degree of shaping learning organisations.
- There is a significant negative relationship between competitive culture and the degree of shaping learning organisations.

- There is a significant positive relationship between participative culture and the degree of shaping learning organisations.
- There is a significant positive relationship between learning culture and the degree of shaping learning organisations.

**Table 1:** Dimensions of Learning Organisations and their Definitions

<b>Dimensions</b>	<b>Definitions</b>
Personal mastery	Create and environment that encourage personal and organisational goals to be developed and realised partnership
Mental models	Know that a persons internal picture of their environment will shape their decision and behaviour
Shared visions	Build essence of group commitment by developing shared images of the future
Systems thinking	Develop the ability to see the big picture within an organisation and understand how change is one area affect the whole system
Team learning	Transform conversational and collective thinking skill, so that a group's capacity to reliably develop intelligence and ability is greater than the sum of its individual member's talents.

Source: Senge, 1990

**Table 2:** Dimensions of Organisational Culture and their Definitions

<b>Dimensions</b>	<b>Definitions</b>
Bureaucratic culture	A type of organisational culture characterised by low environmental adaptation and low internal integration
Competitive culture	A type of organisational culture characterised by high environmental adaptation and low internal integration
Participative culture	A type of organisational culture characterised by low environmental adaptation and high internal integration
Learning culture	A type of organisational culture characterised by high environmental adaptation and high internal integration

Source: Hellrigle and Slocum, 1994



**Table 3:** Results of Correlation Tests

Hypotheses	Dependent Variables	Independent Variable	Correlation Values	Significant Level	Results
<i>H1</i>	Organisational cultures	Learning organisation	0.401	0.05	<i>H1</i> Confirmed
<i>H11</i>	Bureaucratic culture	Learning organisation	-0.48	0.05	<i>H1</i> Confirmed
<i>H12</i>	Competitive culture	Learning organisation	-0.399	0.05	<i>H1</i> Confirmed
<i>H13</i>	Participative culture	Learning organisation	0.384	0.05	<i>H1</i> Confirmed
<i>H14</i>	Learning culture	Learning organisation	0.337	0.05	<i>H1</i> Confirmed

In addition, according Table 4, we found that learning culture has the highest influence among bureaucratic, competitive, participative, and learning culture on shaping and improving learning public organisations. Although participative culture shows a higher correlation coefficient with learning organisation, learning culture has the highest ranking among different types of cultures.

**Table 4:** Rank of Different Organisational Cultures in Iranian Public Service Organisations

Organisation Cultures	Rank Mean	Standard Deviations	Rank of Cultures
Learning culture	4.92	0.662	1
Participative culture	3.16	0.6	2
Competitive culture	2.71	0.626	3
Bureaucratic culture	2.01	0.651	4

## Conclusions and Remarks

This research investigates the relation between organisational culture and the degree of shaping learning public organisation. It also determines the highest priority organisational culture among different types of cultures in terms of their influences on shaping learning public organisations. We found that there is a significant positive relationship between organisational culture and the degree of shaping learning organisation in public organisations. The results indicate that learning organisational culture has the highest influence culture among bureaucratic, competitive, participative, and learning organisational culture. The findings suggest that Iranian learning public organisations develop programmes that improve organisational learning culture, learning and creativity, system thinking, team working, and participation level in their organisations. Iranian learning public organisations should attempt to remove the obstacles to creativity by using participative management system and delegation of the authority to subordinates. In order to provide on time, relevant, and accurate information for decision-making, Iranian learning public organisations need to design an organisational total information system, and organisational and managerial experience documentation systems. Because of differences between Iranian learning public organisations and private organisations, we also suggest that other researchers repeat the same research in other types of organisation to compare the results in different types of organisations.

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