

LEARNING ORGANISATION CHALLENGE FOR ROMANIAN PHARMACEUTICAL SMEs

Empirical
study

Keywords

Organisational Learning
Learning Organisation
Teamwork
Leadership

JEL Classification

M00, M53, M54

Abstract

The concept of the learning organization has gone through many changes both theoretically and also as practical implementation. Learning organizations do not appear automatically, they require a strong commitment for developing the skills needed in the workplace, and this commitment should start from the top of the organization. The learning process should be managed at different levels within the organization. Learning, therefore, is made up of several different components and requires a special management. Successful companies are the result of carefully cultivated attitudes, commitments and management processes. This paper investigates the learning organization dimensions analysed in case of pharmaceutical SMEs from Romania. The results obtained in this study allow us to draw relevant conclusions, constituting a practical starting point for businesses. The paper highlights the fact that SMEs pharmaceutical companies have taken important steps toward learning organization model, but reaching different levels from one key dimension to another.

1. Introduction

Learning organization is a new management approach that continues the ideas developed in the past in connection with the integration of *learning* in organizational system. The difference is that, this time, the concept refers to the organisation orientation to continuous learning, process which results in a significant competitive advantage. Learning becomes the manner in which all individuals operate, regardless of age or rank hierarchy. The new philosophy adopted by the company can guarantee the success of organizational change.

Learning organization is "an organization with a strong philosophy for anticipating, reacting and responding to change, complexity and uncertainty." The key ingredient of the learning organization, according to Malhotra, is how organizations process their managerial experiences (Malhotra, 1996). Learning organizations do not appear automatically, but require a strong commitment to developing the skills needed in the workplace, and this commitment, on the long term, should start from the top of the organization. The extent of learning process should be managed at different levels within the organization, the learning organizations are based on their own experiences and transforms themselves. Learning, therefore, is made up of several different components and requires a special management. Processes that take place within an organization, such as communication, decision-making and learning must be managed successfully.

2. Theoretical and practical background

An experimental model, but also the most popularized one, presenting the building of a learning organization is the model of Peter Senge. (Senge, 1990) identified five basic *disciplines* as building blocks of a learning organization. These disciplines seem to be: systems thinking, personal mastery, mental models, building a shared vision and team learning. The

term "discipline" does not mean "to impose a certain order" or "methods of punishment," the term being rather a body of theories and techniques to be learned and followed to facilitate their practical application. *Discipline*, according to the author, means a development path for acquiring certain skills and competencies. Some people have an inborn gift to accomplish different things, but anyone can acquire skill through practice.

When the five learning disciplines converge, they do not create a standard learning organization, but rather causes a wave of experimentation and progress.

It is obvious that the concept of the learning organization has gone through many changes, both in terms of *theoretical development* and *practical application attempts*.

It is important for organizations to diagnose their current status and discover the ways to change (Bordeianu, 2012). Organizations need to learn to use the methods and tools available to exploit and valorise information (Dixon, 2000). Some organizations are seeking to become learning organizations, but the question is *how?* Although some authors have proposed different models for building a learning organization and guidance in achieving this goal, there are great difficulties in transposing the concept of learning organization into practice, idea supported even by the promoter of the concept, Peter Senge.

For learning to be meaningful and to become the purpose of an organization, it must be better understood.

This paper will try to give answers to the following questions: how to measure the dimensions of a learning organization? the pharmaceutical SMEs from Romania can be considered *learning organisations*?

3. Motivation of the research

A first motivation for this research approach has been given by the great role of human resources in organizations, strategic resources that determine

competitiveness and the future of an organization.

Secondly, knowledge and knowledge management have become the main sources of competitive advantage.

A third factor is the literature that supports the learning organization as a key factor in achieving performance.

Also, the studies on the dimensions of learning organization in Romania and also in different companies (SMEs, MNCs, pharmaceutical companies or even NGOs) are limited.

Not the least we can note the high performance registered by the pharmaceutical companies in Romania. According to some senior managers the high performance is the result of "fixing business objectives always correlated with the potential resources: technological resources, resources related to research and development of products, or human resources," "working and learning at the same time each day", "bearing in mind the maintenance the balance of the company's systems and subsystems."

The pharmaceutical industry in Romania has registered significant growth in national and international market and plays an important role in the Romanian economy. At least at the declarative level, the success of these companies is because they have made significant steps towards learning, adaptation, innovation and transformation.

4. Methodological framework

Good knowledge of research methodology allowed us the selection and exploitation of *methods, techniques, processes and tools* that are appropriate to the nature, purpose and objectives of the proposed research. No constructive approach can be undertaken without recourse to method and methodology (Zait, 2007).

After an extensive analysis of the available instruments (*9 instruments, including Complete Benchmark Learning Organization, The Learning Audit,*

Organization Learning Capability Assessment, Dimensions of the Learning Organization Questionnaire etc.)(Moilanen, 2001)we developed a questionnaire investigating the 6 key dimensions of learning organizations (extending also the model originally developed by P. Senge): *systems thinking, shared vision, teamwork, leadership, organizational culture and learning environment and knowledge transfer.*

The questionnaire comprises 34 items, investigating the six key dimensions of learning organizations, namely: systems thinking (items 1- 7), shared vision (items 8-12), teamwork (items 13-17), leadership (items 18-22), organizational culture (items 23-27), learning environment and knowledge transfer (items 28-34). The final part of the instrument also includes data on respondents and their companies, namely: their role within the organization, level of education and number of employees in the company, so the final number of items is reaching 37. The instrument is developed based on a 6-point Likert scale (from *never true* to *always true*). Once the items / articles were generated, they were placed in a logical format, taking into account the degrees of difficulty (Elliott et al., 2001). The number of items in the instrument was rather large, carefully determined. Using a short instrument in this area could lead to obtain information invalid or irrelevant.

In order to investigate the *learning organization dimensions* the instrument developed was applied within pharmaceutical SMEs in Romania and the group of respondents consisted in: 72% non - managers (Medical Representative or Sales representatives), 9% - supervisors (Area Sales Managers) and 9% - respondents in category senior management (Business Unit Managers). 66 valid questionnaires were collected on-line. The results obtained in this environment draw relevant conclusions, constituting a starting point for businesses practice.

5. Results and discussions

The research results proved that Pharmaceutical SMEs have taken important steps toward learning organization model, reaching different levels from one key dimension to another. The highest level was recorded for *systems thinking* dimension, with an average of ($X^- = 5.25$), while the *shared vision* dimension obtained the lowest level ($X^- = 4.45$), however, above scale average. (Table No.1)

We can observe (Figure No.1) the high score especially for *systems thinking*, *teamwork* and *leadership* dimensions, reinforcing the idea that important steps have been taken towards shaping learning organization.

Systems thinking ranked first, with an average of (5.25), and all variables of this dimension have registered an average above the scale average (3.5). Results emphasize the ability of employees to see the whole, to see interrelations, to see how their organization analyse the environment. Today, system thinking is vital due to the complexity of our environment. Systems thinking support the identification of "structures" behind the complex systems and decisions on major and minor changes.

Analysing the systems thinking dimension we can say that the appreciation of certain practices within the target companies, such as those listed below, have contributed to the high level of this dimension:

- Regularly examining the market position
- Identifying the company as part of a more complex system that takes into account industry trends and forces of change
- Considering company performance in dependence with the nature of the relationships and interactions between individuals and component units
- Company benchmarking against industry with high performance

- Learning from the success or failure of its actions
- Keeping the contact with various stakeholders

On the other hand, respondents believe that individuals are less concerned about the effect of their actions on others.

It is essential for this dimension to be situated on the first place because real changes in management can be initiated only by understanding the dynamic complexity, not just understanding the complexity of the details (Senge, 2012).

Teamwork and collaboration ranked second with an average of (5.01), above the average scale, confirming the fact that there are working teams created at different levels/units responsible for the development of programs / services / products. The teams are responsible for the results obtained.

A positive fact is that the achievements of a team and its results can initiate a standard for common learning within the organization.

In case of pharmaceutical companies from this study, whether we refer to management teams, new products development teams or other multifunctional teams, people who need each other to act - those are fundamental units for learning. This is because almost all the important decisions are being taken in teams.

As a conclusion for the results obtained for this dimension, the aspects that should be improved are the following:

- Facilitating a better communication and good cooperation among members;
- Creating a constructive dialogue, encouraging the expression and views on the opinions of others, openly;
- Building trust among members.

When teams become more aligned, there is a common direction and individual energies harmonize.

In third place came *leadership* dimension that has obtained an average of

(4.8). In obtaining this result contributed the following practices highlighted by the respondents:

- Encouraging new ideas, independence and autonomy at work
- Sharing a common vision and common goals
- Providing feedback to identify problems and opportunities
- Encouraging employee participation in decision-making process

The results reveal some situations when managers of pharmaceutical organizations do not always accept criticism without a defensive reaction or behaviour.

SMEs need to focus on a collaborative leadership style to find creative solutions. For a company to grow healthy, it must increasingly support the internal growth of leaders.

The *organisational culture* is situated on the fourth place, with an average of (4.73), very close to the *learning and knowledge transfer* dimension. The results are supported by the idea that, at the individual level, but also the organization, knowledge is the key resource. Another key aspect in support of this dimension is the fact that managers and employees of pharmaceutical companies accept and support the change; the companies are thinking about the future and the outside world.

The employee's mistakes are less tolerated and / or discussed in order to be avoided, this aspect resulting in a decrease in dimension's score. This deserves more attention; there is a high need for changes in the work environment, always allowing free expression of opinions that encourage experimentation, dialogue and risk taking.

Real learning processes are defined by trying something new and being able to make any mistakes in order to improve. The journey towards development begins only when managers and leaders will embrace the well-known principle: "no

learning without practice." However, exactly this is expected in most organizations.. This is one reason why learning is still so limited.

On the fifth place, with an average of (4.7) has positioned the *learning environment and knowledge transfer*. Employees of pharmaceutical SMEs in Romania were able to show that the learning environment and knowledge transfer contributes significantly to creating learning organizations.

The following issues have contributed to creating an open environment of learning and knowledge transfer:

- encouraging new employees to research and identify current practices at the company level
- implementing all the ideas / practices learned
- taking into consideration the employee's desire to learn and share knowledge when hiring, promoting and rewarding them
- developing long-term plans for the development and training of employees in all areas and at all levels
- undertaking all necessary actions and appropriate measures to expand and disseminate knowledge throughout the organization.

People are those producing any organizational transformation. Confidence and focus on how people within organization relate, discovers or share ideas form the basis for success (Ellinger, 2005). As it improves the quality of relationships, improves the quality of thought. As team members consider several facets of a problem and share a large number of different perspectives improves the quality of their actions, leading, ultimately, to improvement of the results that organization can achieve.

However, learning should not be treated as an annex to work, but as integral part of it. This approach is possible only by truly understanding people's work and

identifying where and how the specific learning approaches, such as improving reflection, may lead to a change in practice.

Some issues will deserve special attention in future, meaning encouraging these actions:

- a greater interest in new ideas from employees, implementing and rewarding creative and innovative ideas
- development of a system allowing employees and support them in learning some useful practices from other companies.

The goal of pharmaceutical companies by initiating a benchmarking analysis is to compare the indicators (reference statistics, trends, and best practices) with other companies to identify strengths and weaknesses, and in particular to find the key points which contributes to improving operations.

There are several reasons why benchmarking is needed in learning organizations. First, the comparative analysis can identify key areas with potential for development- either from the financial point of view, organizational or operational. Once identified these areas of opportunity, the company can focus on improvement actions.

An important aspect for the success of benchmarking is related to the access to relevant, *objective and impartial* research studies in the field.

Depth case studies are examples of best practices that companies have solved similar problems. Such information can be obtained through participation in trade fairs, conferences, studying forecasts from industry and further research; or, more easy, by speaking with colleagues, attending trade events, a webinar, a face-to-face meeting etc.

Shared vision dimension ranked 6 with an average of (4.45), an average that exceeds the scale average. This shows that respondents agree with the company's mission, which defines the fundamental

values to which employees must adhere. Employees are sharing a common vision and the shared common organizational goals contribute to the building of learning organization.

Employees must clearly understand the organization's vision and strategic plan. They need to be involved in the plans of the organization and they feel motivated by the opportunity to participate in the formulation process, being factors that contribute to high performance.

Shared vision is vital for learning organizations because they provide the focus and energy for learning. While adaptive learning is possible without vision, generative learning occurs only where people struggle to accomplish something that matters a lot to them (Senge, 2012).

A positive aspect is that there are still principles and guidelines for building a shared vision, but especially in SMEs building a shared vision is a long process, because they are forced to constantly adapt, develop, identify the right people (self- motivated), to build stable team in order to face the challenges in the field. Scores obtained by the SMEs for *teamwork and leadership* come to reinforce the fact that they are making significant efforts to be competitive.

6. Conclusions

According to the research results, respondents consider that pharmaceutical SMEs have taken important steps towards *learning organization*. Commitment and organizational effectiveness appear to be beneficial when an organization uses organizational learning practices. For example, learning organization practices can help the organization to integrate the vision, mission, strategy, etc. Thus, the implementation of specific practices of learning organizations could encourage employees to innovate, including the process of bringing new ways for problem solving and value added ideas to use.

We believe that pharmaceutical SMEs might focus more on organizational commitment. HR practitioners and managers from other companies may explicitly formulate the objectives and values of the organization and communicate them to employees in order to improve mutual satisfaction between employees and organizational management.

Finally, the study showed that employees of pharmaceutical companies have high commitment to most of the learning practices. Therefore, it is possible for organizations and HR managers to create a business that meets the criteria to be considered a learning organization.

However, to achieve the desired results and to expand activities in the future, pharmaceutical companies should consider the following alternatives: to consolidate and expand their capacity to learn, to adapt, innovate and change, so to build and maintain the status of a learning organization.

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Appendices

Table No. 1
Learning Organisation dimension and the average score in case of Romanian Pharmaceutical SMEs

<i>Dimension</i>	<i>Dimension description (area of investigation)</i>	<i>Questions</i>	<i>Number of items</i>	<i>Pharm. SMEs score</i>
<i>Systems thinking</i>	Company is, on the one hand, a system interacting with the external environment, but on the other hand represents the interdependent interaction between individuals and component units	Q1 – Q7	7	5.25
<i>Shared vision</i>	Shared vision and common goals formulated supports the development of the learning organization	Q8 - Q12	5	4.45
<i>Teamwork</i>	Teamwork and collaboration contribute to the development projects / programs / services	Q13 - Q17	5	5.01
<i>Leadership</i>	Leadership has a direct positive influence in creating learning organizations	Q18 – Q22	5	4.8
<i>Organisational culture</i>	The values, norms and beliefs have a positive influence in creating learning organizations	Q23 – Q27	5	4.73
<i>Learning environment and knowledge transfer</i>	Learning Environment and knowledge transfer facilitates the creation and transfer of knowledge and sustainable development of learning organizations.	Q28 – Q34	7	4.7

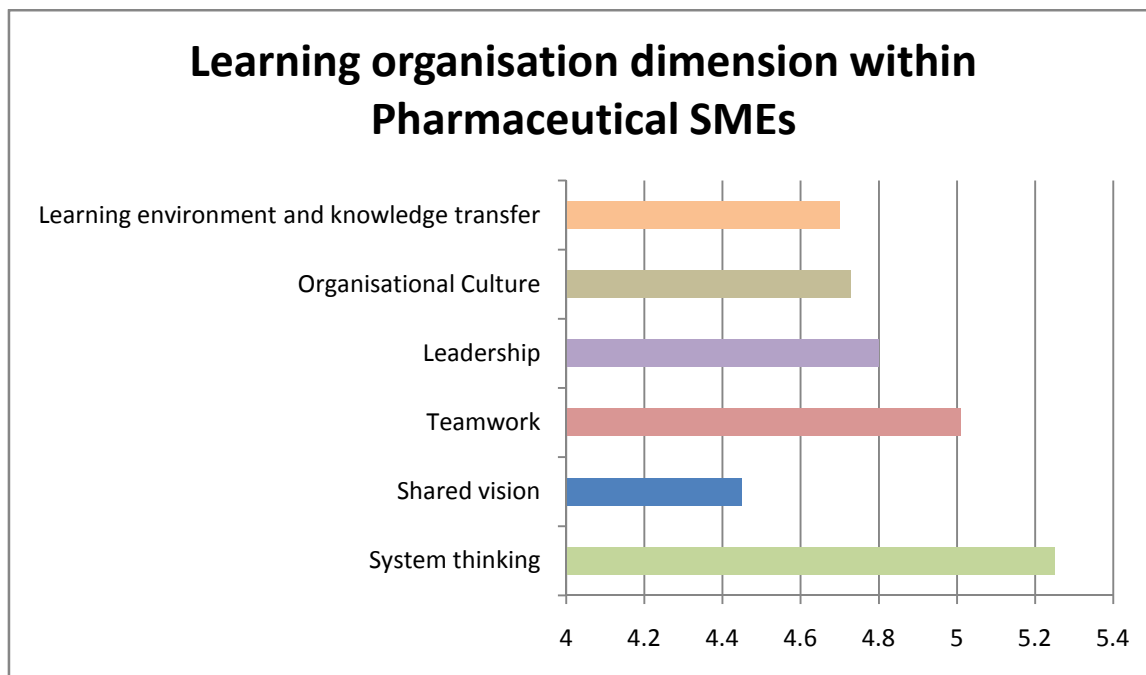


Figure No.1 The average for the six dimensions of the Learning Organisation within Pharmaceutical SMEs