CHAPTER I

INTRODUCTION

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"Learning…happens all through life unless we block it. Organization therefore need, consciously, to become learning organization, places where change is an opportunity, while people grow while they work."

- **Charles Handy**

Human being is recognizing as economic, physiological, sociological and psychological being. The most important aspect of human being is human psychology. In human, one of the most important psychological process is learning. Human play vital role in an organization, whether formal or informal, large or small who are different from one another in their psychological make-up. Human consist of knowledge, skill, creativity, talents and aptitudes of organization's work force. Today's organization functions in an environment of rapid change. In order to meet with organizations volatility, organization has to take proactive action in the area of creativity, innovation and development of new knowledge by creating developmental opportunity for individual as well as organization. The organization which comes in this category equip their human resources to face environmental threats that are likely to posed.

Human Resource Management has tremendous impact on growth & productivity of organization and individual performance. Skilled and competent employees are the capital of organization. As human capital influences and shapes the other resources of organization as well as the future of the organization. HR managers developed strategies which helps employees to learn and develop within organization. It is challenging role as human nature is dynamic. HRM helps to create right attitude and securing co-operation of employees for achieving organizational goal as well as fulfilling need of employees. Therefore, HR plays key role in the development process of individual and organization. Here, HRM facilitate an organization to change their traditional organization into learning organization by implementing new HR practices and improving existing practices by keeping in kind learning and growth of individual as well organizational.

HUMAN RESOURCE MANAGEMENT

HRM is a process of effectively and efficiently utilizing human resources so that defined goals are achieved. Its aim is to examine the surrounding environment and accordingly prepared & develop human resources so that they can face the challenges in the competitive edge of industry.

Flippo (1980) defined HRM as "the planning, organizing, directing, and controlling of the procurement, development, compensation, integration, maintenance and reproduction of human resources to the end that individual, organizational and societal objectives are accomplished.

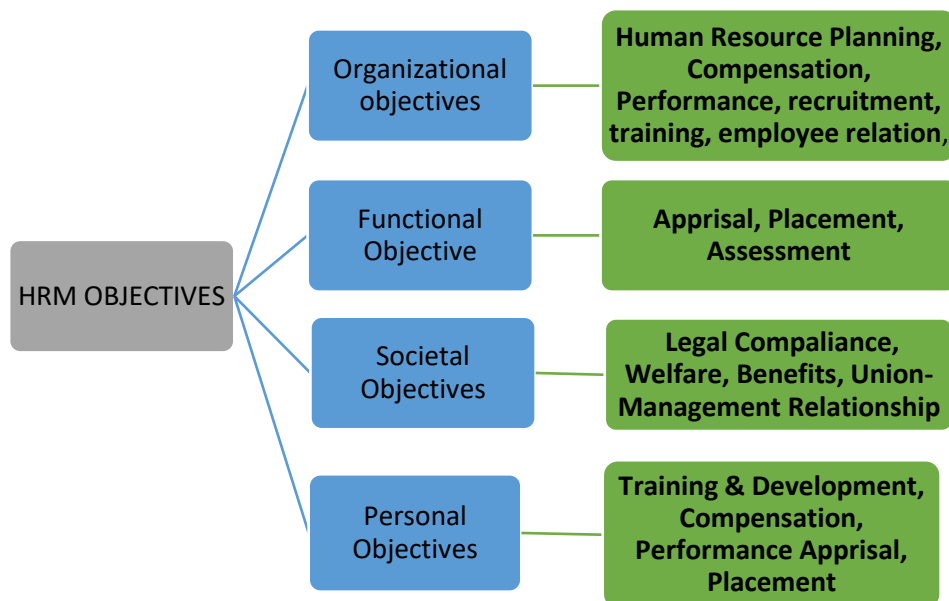**OBJECTIVES**

There are basic four main objectives of HRM.

Figure 1 – Objectives of HRM

ISSUES OF HRM

Change in demand and Business environment has brought change in functions of HRM. As the world has become borderless market in form of people, goods and capital, organization hires HR professional not for designing compensation scheme or sorting resume but to attract and retain competent workforce, transforming people department to talent department and to deliver value to leadership development, change management. In this ever-changing environment, HR professional faces many issues in industries.

Nowadays, these are the major issues HR Professional face

- Technology
- Diverse Workforce
- Multi-generational workforce
- Change Management
- Learning and development
- Retention
- Employee Engagement

HRM AND LEARNING ORGANIZATION

Human resource management play crucial role in the learning organization. Sphr (1999) stated that "Human Resource Management (HRM) is the utilization of human resources to achieve organizational objectives". Since overall business markets have increased great competitions, HRM gradually appears to be enormous and expanding. Today's world, the HRM system normally includes five functional areas which are human resource planning, recruitment, and selection; human resource development; compensation and benefits; safety and health; and employee and labor relations (Sphr ,1999).

Marsick, V. (1990) stated that a learning organization is supported by a learning culture where people work together to nurture and sustain a knowledge-creating system. Here, it is the role and responsibility of HRM to create a learning culture and develop various tool which helps in delivering new information for its employees.

HRM helps in embracing these ideas by using several strategies, and to see the individuals are the most precious resource in their organizations. The main role of HRM is to create suitable learning environment for employee at all level.

LEARNING ORGANIZATION

Learning is the most powerful, engaging, rewarding and enjoyable aspect of our personal and collective experience. As the world become a small village and more interconnected at the same time organizations becomes more complex, working of employees must become more "learning." In today's scenario, learning of a one person is not enough for the organization. The organizations which know strategies to tap employees' commitment and capacity to learn and develop at all levels of organization can only excel in this competitive edged.

Senge (1990) stated "The rate at which organizations learn may become the only sustainable source of competitive advantage." The Learning Organization is a term commonly in vogue. It is however, less than obvious what it means, except that clearly it is a good thing to strive to be" (Handy, 1990)

In learning organizations context, Senge (1990) has differentiated adoptive and generative learning. Generative learning embraces creativity and innovation and also relates to forecasting of environmental changes. It is double- loop learning which allows and encourage people to constantly analyze about norms, beliefs, values and aligned it with changing environment. Senge (1990) defined learning organizations are "organizations where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together."

Garvin (1993) define "Learning organization is one which is skilled at creating, acquiring and transferring knowledge and modifying its behavior to reflect new knowledge and insights".

Watkins and Marsick (1997) focuses distinctive levels of learning: (a) individual, (b) team, (c) organization, (d) society, and seven elements on which the design of a LO depends. These are: (a) create continuous learning

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opportunities, (b) promote inquiry and dialogue, (c) encourage collaboration and team learning, (d) establish systems to capture and share learning, (e) empower people towards a collective vision, (f) connect the organization to its environment, and (g) provide strategic leadership for learning.

Moilanen (2005), "Learning organization is consciously managed organization with learning as a vital component in its values, vision and goals as well as its everyday operations and their assessments." Watkins and Marsick (1996) proposed an integrated model for a learning organization and defined a learning organization as "one that learns continuously and transforms itself . . . Learning is a continuous, strategically used process – integrated with and running parallel to work".

Senge (2006) in his book 'The Fifth Discipline' proposed five discipline. Each discipline provides vital dimension in building an organization that can 'learn' and can continuously enhance their capabilities to realize their highest aspirations. A "discipline" from the Latina discipline mean to learn. It is a body of theory and technique that must be studied and mastered to be put into practices. It is developmental path for acquiring certain skills or competencies. Following are the five discipline of learning organization.

System Thinking

A system thinking is a conceptual framework, a body of knowledge and tools that has been developed to make the full patterns clearer and to help us see how to change them effectively.

Personal Mastery

Personal Mastery mean a special level of proficiency in every aspects of life. This discipline is the spiritual foundation of learning organization. People with high level of personal mastery are consistently able to realize their results. Personal mastery is the discipline which continually clarifying and deepening personal vision, focus on energies, develop patience and see reality objectively. It clarifies the things that really matters to us and focus on highest aspirations.

Mental Model

It deeply ingrained assumptions, generalizations, or even pictures that influences our understanding and the way we take decision. The mental model starts with learning to bring out our internal pictures of the world, to bring the surface and hold them rigorously to scrutiny. It talks about openness needed to unearth shortcomings in our present way of seeing the world.

Building Shared vision

It fosters a commitment to the long term involves the skill of unearthing shared "pictures of the future" that poster genuine commitment and enrollment rather than compliance. Here, generatively learning occurs as people are starving to achieve something.

Team Learning

It starts with "dialogue" the capacity of members of a team to suspend assumptions and enter into a genuine "thinking together". Dia-logos in Greeks means free flow of meaning from a group, allowing group to discover insights. It involves learning how to recognize the patterns of interaction in teams that undermine leaning. Team learning is important because teams are the fundamental learning unit in modern organization and not individuals.

ADVANTAGE OF BECOMING LEARNING ORGANIZATIONS

Creating Learning organizations includes numerous steps and activities in the area of individual learning as well as team leaning. There are various benefits to becoming learning organizations.

Creativity &Innovation

Learning organization emphasis on idea sharing, personal mastery, and team collaboration which leads to bigger and brighter idea.

Collaboration

Learning organizations are creating by emphasizing team interaction with one another & knowledge sharing. This organizations have strong sense of community and support each other.

Continuous & Sustainable Improvements

Organization must reflect its actions and need to learn from their mistakes or failures. The willingness to try new practices and process of admitting shortcoming are required to bring improvement and innovation within an organization.

Satisfied employees

Learning is a lifelong process and it is in the nature of human being. The continuous accumulation of knowledge makes employees happier and healthier at workplace which bring sense of satisfaction among employees.

Readiness to Change in competitive edge

Popper & Lipshitz (1998), at one point of time each organization faces change driven by competitors, customers suppliers or technology and to survive in the industry organization are required to continuously learn to cope up the change. The ability to learn quicker as compared to your competitors might be the only competitive advantage.

Improve quality of work all levels

Learning implies to all individual and therefore it is provided at all level of employees in the organization. This helps in strengthening employee's skill and competence to perform task which affect to quality of output at all level.

EMPLOYEE ENGAGEMENT

The personnel engagement was very first defined by William Kahn (1990) "the harnessing of organization members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances "

According to Kahn (1990), engagement means to be psychologically as well as physically present when occupying and performing an organizational role.

In a publication titled, "Employee Engagement and Commitment," the Society for Human Resource Management (SHRM) provides and entire page of definitions although they do not venture to provide a definition of their own (Vance, 2006).

ELEMENTS OF EMPLOYEE ENGAGEMENT

Commitment

Commitment means the extent to which individuals associate themselves with the job, the responsibilities and the organizational objectives. Employees who are captivated by their work and committed to face every challenge to attain their goals are considered as engaged employees.

Motivation

Motivation play vital role in employee engagement. Having feeling of achievement motivates employees to give their best performance. Rewards and recognitions can further motivate them to achieve more for their organization. Motivation and achievement go hand in hand and act as the burning fuels for the success of any organization.

Loyalty

Actively engaged employees show more loyalty towards the organization. They are responsible and accountable towards their work. However, it doesn't take much time for actively engaged employees to turn into disengaged employees if the organization doesn't have a clear and fair reward system.

Trust

High levels of employee engagement can be fostered only when trust prevails in the organization from both the sides. As they share strong emotional bond with the organization, the latter should also show trust in their abilities. Employees must be given autonomy to perform their tasks their way. They should not be restricted to a specific rules and regulations and therefore, should be motivated to experiment to perform their task in a different and innovative manner.

DRIVERS OF ENGAGEMENT

There are various drivers of engagement which HR Professionals use to influence your employees' engagement. The organization's context and culture will mitigate or compound their impact on employee engagement. Following are the major drivers that influence employee engagement.

Working Relationship

Interpersonal relationships with superior, peers, and subordinates matters a lot in employee engagement. If employees have good interpersonal skill then they do not hesitate in putting extra efforts.

Values of the organization

Vision and mission of the organization spell out the values cherished and upheld by the management. An organization that stands for high ethical values is an engagement enhancement drive.

Job Role

There must be a link between job role and the organization goal. Understanding this linkage provides an intrinsic motivation and increased engagement. An employee who can sees a clear linkage on between his/her role and how it contributes to the organization will go to the extra mile and help create organization wealth.

Organization Culture

When the employees and the organization are bonded with each other when employees identify with the culture of the organization. An employee is engaged and motivated to put his/ her extra efforts if he/she finds the work environment enabling and supportive.

Career Development and opportunities:

Employees are seeking for their career development and opportunity.

An employee, who claims that his or her organization provides for career advancement, is highly engaged. It is said that employees are sic times more likely engaged when such opportunities are provided. At the core of career development are the learning and development facilities which the organization needs to provide in the right-spirit.

Rewards and Recognition

People work to get remuneration which helps to fulfill ambitions. Rewards and recognition programs increase motivation among employees which leads to commitment and engagement.

Learning and Training Opportunities

As Lawyer (2006) said "People Enjoy Learning." Today's millennial workforce that constantly looks at enhancing knowledge and skill. Skill and Knowledge enhancement is not just important for the employees but providing a learning culture is essential for organizations to remain relevant in the constantly changing business landscape.

Performance Management

Employee engagement is positively influence by an effective performance management system. Individual goal setting lies at the root of performance management system. Clearly defined goals, a fair evaluation and timely, rational feedback are critical elements in creating a belonginess between the employee and his/her organization.

Leadership

An organization that put efforts in grooming leaders who are aligned to its goals and culture. In today, industries have a young and dynamic human resource who looks for autonomy in decision making, increased responsibility and accountabilities and challenging job.

Communication

Clear and two-way communication should be an engagement priority. Employees prefer to work for an organization, and they want enjoy the feelings of contributing something towards the success of organization. They need to know that their opinions count, remain clear about what is expected of them, to understand their organization's strategy, and to see how their work is linked to the organization.

Others

Size of organization, tenure and employee age are affecting to engagement. Large organization expend more efforts to engage employees than smaller ones. Employees with younger age are interested in challenging job career growth compare to older employees who values recognition and reward for their contributions.

RETENTION

Researcher studied retention as a one of the variables from the present studies. In today's competitive edge, organization have been constantly in need to introduce change to face challenging environment and competition. Organizations realized that in this constant changing environment it is necessary to retain competent human resources. Globalization played very important role in shifting organization view's about employees.

Employee-retention is generally 'the intention of employees to stay loyal to their current-workplace' (Huang and Chaung, 2006) Retention is a process in which employees are motivated to associated with organization for maximum period of time. Retention is an effort of organization to develop and foster an environment that encourages employees to remain with organization for longer duration with the help of effective policies and practices of organization.

Therefore, organization started designing and implementing various strategies and develop a working environment where employee like to work. There are various factors which affects retention. Organization need to take care of those factors while preparing organization policy.

FACTORS AFFECTING RETENTION

1. **Reward & Recognition**

    Employees get positive feelings towards organization when their efforts and contributions are recognizing by management. It brought feeling that are valued by organization. Rewards can be in the form of compensation, performance bonus and other benefits. Rewards is seen as achievement of employees. These motivates employees to put extra efforts and remain with the organization which valued people.

2. **Training and Development**

   Training is required to increase knowledge and skill of employees. Employees are seeking to learn and develop themselves. Training helps to adopt new changes and technology. Organization need to increase utilization of latest technology for development like e-learning. This leads to upliftment of employees which motivate them to remain in organization for longer duration.

3. **Work – Life Balance**

   It is a measure of control that one needs to perform and strike balance between work and personal life. Balance personal and professional motivate employees to stay with organization as employees can fulfil both personal and professional role & responsibility.

4. **Career Development**

   Career planning or career path helps employees to feel that their organization is investing in their development and progress. These helps employees to deal with other aspects of lives and motivate them to remain with the organization.

5. **Superior -Subordinate relationship**

   Superior-subordinate relationship is another factor affecting retention. This represents how they work together to achieve personal and professional goal. Healthy relationship encourages employees to spend more time with the organization as individual enjoy working in organization.

6. **Leadership**

   Leadership is an art to influence people to follow them. Leader style play important role in retention of employees. Leadership style can have positive or negative effect. Leader who facilitate and support in completion of task and provide guidance for development plays important role retention.

7. **Compensation**

   As per Maslow's motivation factor compensation paly important role in retention as it first basic need of individual. Fair compensation policy helps organization in retaining employees.

8. **Working Environment**

   A conducive working-environment helps organization in retaining employees. As it provides pleasant-working-experience, adequate resources and a certain degree of flexibility to employees. Healthy working condition leads to physical comfort of employees.

JOB SATISFACTION

Job satisfaction is one of the variables of current study, to study its relationship with learning organization. Employees give lot of importance to job satisfaction. The job satisfaction influencing factors differ from person to person due to individual difference. In today's era, each organization having diverse workforce and employees from two generation is very difficult to provide feeling of job satisfaction. Therefore, it is necessary to study its relations with learning organization.

Job satisfaction is vital component of organization health. The degree of job satisfaction indicates organization health. "Job satisfaction is the combination of psychological, physiological and environmental circumstances that causes a person to truthfully say "I am satisfied with my job." (Hoppock,1935)

Vroom in his definition on job satisfaction focuses on the role of the employee in the workplace. Thus, he defines job satisfaction as affective orientations on the part of individuals toward work roles witch they are presently occupying (Vroom, 1964).

Job satisfaction is a worker's sense of achievement and success on the job. It is generally perceived to be directly linked to productivity as well as to personal well-being. Job satisfaction implies doing a job one enjoys, doing it well and being rewarded for one's efforts. Job satisfaction further implies enthusiasm and happiness with one's work. Job satisfaction is the key

ingredient that leads to recognition, income, promotion, and the achievement of other goals that lead to a feeling of fulfillment (Kaliski, 2007).

Job Satisfaction is the individual's feeling after completion of a task. Job satisfaction mean having positive feeling towards your job. There are various factors which influencing job satisfaction of employees and in absence of these factors' employee get demotivated. Job satisfaction more affected by psychological and sociological need of employees. Organization need to develop a policies & practices by keeping in psychology and sociology of employees and how it can be fulfilled with the vision and aim of organization.

FACTORS OF JOB SATISFACTION

Job satisfaction is the outcome many personal, job and organizational various. Numerous studies have been done in the area of identifying various causes or factors that outcome in job satisfaction or dissatisfaction. Further these factors can be divided into various categories.
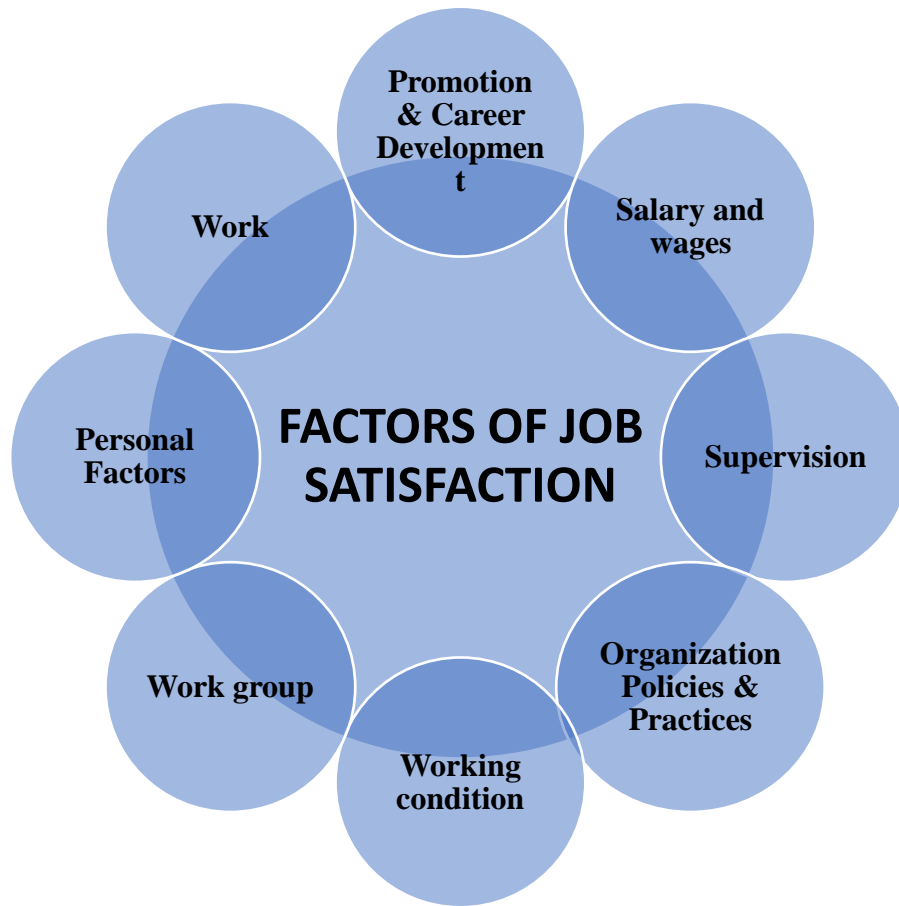
Figure 2 – Factors of Job Satisfaction

1. **Organizational Factors:**

   Organization factors includes factors which are managed by directly controlled by organization. Organization can easily manage these factors which are affecting satisfaction of employees. These are salary and wages & promotion of employees and organization policies which are framed to develop system within organization.

i) **Salary and Wages**

   Salary and wages are play vital role in people's life and therefore it is plays significant in influencing job satisfaction. Salary is primary determinant of job satisfaction as it is even mention Maslow's model of satisfaction as first basic need of human. Pay is also viewed as the management's views about their contribution to organization. Employees also considered it as a symbol of achievement as higher

pay indicates higher degree of employees' contribution in the organization operation. This also uplift employees' status in organization as well as in society as successful man which influence the job satisfaction.

ii) Promotion and Career Development

Promotion opportunity is seen as employee's worth to the organization which is highly morale boosting. Specially as employees moves to higher level his/her expectation for promotion increase. As it reflects as employees' achievement and management's recognition for contribution. With promotion many positive aspects come such as autonomy, challenging work, increased role and responsibility and status. Career developmental opportunities also very important influencing factor which affects Job satisfaction. This provides chances to employees to develop and learn more to contribute towards fulfillment of their job.

iii) Organizational Policies & Practices

Organization policies contributes towards creating organization culture and working system as its forms to provide working guideline for an employee. Organization policy can be seen as the reflection of leaders. Policy can generate positive or negative feelings among employees. The fair and transparent policies result in more job satisfactions such as fair and transparent promotion policy and reward policy. If policies and practices are not fair than it demotivates employees. Therefore, organization policies and practices play crucial role in job satisfaction.

2. Working Environment of organization

Working environment need to be conducive for the overall development. Health and safe working environment are very important for the job satisfaction. Working environment consist of supervisory style, work group and working condition.

i) Supervisory Style

Job satisfaction is very much affected by the supervisory style. supervisory style plays important role in developing social environment in the organization. The supervisor who develop friendly and supportive relationship supervisor and subordinates, involve employees in decision making can leads to Job satisfaction among employees.

ii) Work Group

Job satisfaction is generally high when an employee is accepted by his peers and he has a high need for affiliation. Work group helps individual to satisfy social and psychological needs which develops higher level of job satisfaction.

iii) Working Condition

Employees working condition has great influencing on job satisfaction. Good working conditions provides physical comforts to employees. Employees desire clean and healthy working environment. Poor working condition can demotivate employees which gradually affect to job satisfaction.

3. Work itself

Job Scope covers individual responsibility, work pace and feedback. Higher job scope leads to higher level of job satisfaction**. Job variety** is very effective. Excess job variety confused the employees and bring stress and anxiety and less variety causes monotony. Therefore, it is necessary to maintain appropriate job variety. Employees having work related **autonomy and freedom** leads to job satisfaction. **Define role and responsibility** and have role clarity, **having interesting and challenging** work increase job satisfaction.

4. **Personal Factors**

   Personal life has significant influence on job satisfaction. Research studies shows that employees in the advanced age group tend to more satisfied. Education, experience and tenure have influence on job satisfaction. Therefore, it is important to take care these factors while working on job satisfaction of employees.