TRANSFORMATION TOWARDS A LEARNING ORGANIZATION:
PERSPECTIVE ON FACTORS

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Abstract
The purpose of this paper is to present the case study. It was planned to clarify the research question: to identify which factors (internal, such as a decision to develop competencies of the members of an organization, or external, such as pressures of competitive market) trigger the transformation of an organization to a learning organization are possible while identifying the members’ attitude to their own core competences and the need to develop them.

Key words: core competencies, learning organization, quality of services, front-office personnel.

Introduction
Globalization, constant changes of various spheres (political, social, economical, etc.) and growing competition between companies increased the importance of the development of personnel’s core competences for high quality of organizational performance. As a customer-oriented market expands, it becomes important for the organizations providing services to invest not only into education of personnel’s functional competences but also in the core competences.

A state financed organization providing non-commercial services was chosen for the empirical study of the paper. As Targamadzė and Simonaitienė note (2002), external factors are quite often relied on triggering transformations towards a learning organization. Due to the fact that non-commercial organizations are less susceptible for the external factors for transforming into learning organizations, such as the rapidly changing markets in comparison with profit-making organizations, it is likely that the situation will reflect a reflective and conscious choice of the members of an organization (internal factors) rather than reaction to the forces of market (external factors) to implement transformation. Non-commercial organizations should find other sources for transformation than merely reaction to external pressures, and namely some internal triggers or factors. According to Lauzackas (2005b), the development of core competences could be defined as the development of “knowledge, abilities, skills, attitudes and value orientations that are being used for a long period of time and have the impact on a comprehensive development of personality, professional flexibility and mobility” (p. 46). The significance of the development of the learning organization and community, organization and states’ economy has been declared in internationally recognized documents: A Memorandum on Life Long Learning (2001), Lisbon Strategy (2000), and in various documents of the European Parliament and Commission. The purpose of this paper is to present the case study, which was aimed to identify whether a decision to transform an organization into a learning organization may be triggered by internal rather than external factors. The research question: to identify which factors (internal, such as a decision to develop competences of the members of an organization, or external, such as pressures of competitive market) trigger the transformation of an organization to a learning organization are possible while identifying the members’ attitude to their own core competences and the need to develop them. The object of the paper covers attitudes of organization’s members towards the development of personnel’s core competences. Used methods include critical and systemic analysis of the references; also case study that included internal documents analysis, also a two-stage quantitative research, which was completed in 2008–2009. The following methods for an empiric study were used: analysis of recent internal and strategic documents and questionnaires comprising of open and closed type questions. Research limitations – only clients and members of one non-commercial, service orientated organization in one of ten counties in Lithuania were approached. This must be seen as a limitation of the study.

Overview of the Concepts of Core Competences and Services
The relevance of core competences in professional activities was influenced by globalization and constant changes covering various areas (economical, political, social, technological, etc.). Globalization caused the need for discussing what the competences with the help of which one could flexibly adapt to changes occurring in professional, personal and other activities are. A certain value of core competences is
definitely gained within the area of services, which are based both on technology and a certain form of relationship between a service provider and a client. Adomaitienė et al (2003) define the competence as a physical or mental ability of a human being to carry out a certain action or activity. The authors enlist the following competences: physical (health), educational (knowledge, know-how, skills), psychological (cognitive skills), social (right to act, understanding power boundaries), expertise (individual’s unique expression in activities, based on his/her professional and personal abilities). On the other hand, Lauzackas (2005b) emphasizes that expertise is a functional ability to adequately perform certain activities.

According to the documents of the European Parliament and Council, regarding Life-Long Learning Competences (2006), the latter ones are indicated as abilities necessary for personal development, active citizenship, social integration and employment of all citizens. 8 core competences (and their elements) are enlisted. Communication in mother-tongue is defined an ability to both in written and orally express and explain notions, feelings, facts and opinions. Communication in foreign languages is based an ability to understand a foreign language, express one-self, explain notions, thoughts, feelings, facts and opinions within a certain society or cultural environment. Mathematical abilities and core competences in research and technological areas (mathematical abilities for developing and applying mathematical thinking when solving different everyday problems). Competences in the science area stand for a person’s ability and willingness to apply knowledge and methodology when explaining nature, trying to raise questions and draw evidence-based conclusions. Digital literacy deals with reliable and critical appliance of IT at work, for leisure or when communicating. A learning to learn competence (ability to study insistently and to arrange one’s learning process both in groups and individually, by effectively managing information). Social and civic competences, initiative and entrepreneurship (ability to turn ideas into actions; creativity, innovation, readiness to risk, project planning and management in the pursuit of goals raised), cultural consciousness and expression (perception of the significance of different creative ideas, music, stage and visual art and literature) finalize the list.

In the UK (Paulauskaitė, 2009) core competences are defined as a complex of abilities providing the basis of any kind of effective activity. They are necessary for successful work, learning and other activities. The structure of core competences is comprised of communication (participation in discussions, application of visual aids, etc.), mathematical literacy (data collection, recording and processing), IT (preparation of information, processing, presentation, etc.), personal (personal learning and professional improvement), problem solution (naming the problems, decision making, etc.), and competencies of foreign languages (listening, speaking, reading and writing).

Any organization, including a learning organization, has to perform certain functions such as recruitment of employees and support for the development of competences as well as career planning. In addition to technical competences (knowledge and skills characteristic to a certain profession), other important competences may be identified, including communicational (ability to start and sustain relationship with customers), organizational (ability to organize one’s work activities, plan them and set priorities), managerial (ability to organize activities of others, inspire and motivate them), strategic (ability to communicate within a system and interact with other participants), educational (ability to explain, consult and support learning of others), cognitive (ability to develop new competences), recognition of the client’s environment (ability to recognize a client, identity his/her needs and expectations) and those of common culture (an important part of holistic competence) (Kirby, 1999, here from Paulauskaite, 2009). According to the number of authors and references, core competences are identified as comprehensive and applicable within different spheres of life and professional activities. Furthermore, they play an important role in the context of constant economical and social, as well as technological changes. Core competences (and their elements) are the result of lifelong learning.

Services have certain characteristics: heterogeneity, unsteadiness, client’s participation in the process of service provision, the unity of service provision and consumption (Bagdoniene, Hopeniene, 2004). There is a variety of ways to classify services. According to Grönroos (2001), non-commercial services are not aimed at profit; rather they are aimed at meeting community needs. Such services are provided by governmental non-commercial organizations and private non-profit organizations. Usually, state budgetary funds comprise a large proportion of the budget of such organizations. Furthermore, such kind of an organization faces harsher restrictions (laws, regulations). Usually, private non-profit organizations are not entitled to share profit between the members or managers. Such kind of organizations promote voluntary work and their profit is not always expressed in terms or forms of money.

The Variety of Quality Concepts

There is also a variety of the concepts of quality. According to Westerheijden (2005), every definition of quality is a matter of agreement. Subjectivity of
the concept of quality comes from three interacting parts: benefit (features, form and tune), value (economic, intellectual) and suitability (amount and timely performance). The above enlisted may be perceived differently by each individual. According to Lok and Crawford (2004), an objective (visible, measurable features) and subjective (immeasurable, experienced via consciousness) quality may be distinguished. In addition, there are internal and external perceptions of quality. Internal quality is related to organizational culture, history and structures as well as the quality level of the way its inner elements function (mission, human resources, and monetary resources). Meanwhile, an external quality deals with the satisfaction of client needs and requirements. The latter one may be influenced by political regulations as well.

It may be concluded that there is no universal definition of quality. According to Misiūnas (2008), the diversity of the concepts comes from the fact that there are several quite different perspectives of quality. Quality is rather a socially negotiated construct than a definite constant. It is dynamic and, nevertheless, the contents of the concept serves as a starting point for activities in any organization.

Quality of Services and Core Competences in a Learning Organization

To add to the complexity, the concept of the quality of services and its models are widely analyzed in management and marketing literature. It is impossible to evaluate the quality of services and the quality of products applying the same criteria. According to Eriksson et al. (1997), services may be defined as a product resulting from experience that may be evaluated only through consumption. Orientation towards the client is often emphasized when analyzing organizations providing services. A service must respond to the client’s needs and expectations. Here the main evaluator is the client, thus, it is significant to manage the perception of the quality of services and satisfaction. Barczyk (1999) states that the quality of services is expressed in terms of the level of the customer’s satisfaction that depends on the customer’s needs and experience. According to Gumesson (2002), it is important to be aware not only of present customers’ needs, but future ones as well. Therefore, by applying the before-mentioned definitions, we may state that in the area of services the quality is often perceived as satisfaction of the clients’ needs. However, it may interfere with other concepts oriented towards inner quality of activities. For that reason, it is not recommended to identify the parameters of quality solely based on the clients’ opinion, since not all services are equivalent. According to Langvienė and Vengrienė (2005), a conceptual key for perceiving the quality of services is the interaction between the quality perceived by a supplier and a client. An important role in this interaction is given to front-office personnel, since they not only perform certain actions and procedures necessary for providing the service, but also communicate with customers and involve them in one way or another into the process of service provision. The key task of such employees is to serve the client and stand for the interests of the company (Vengrienė, 2006). Therefore, the improvement of quality could be related to investments into personnel and development of both core and other competencies that are significant for professional activities.

Every client individualizes specific services and differently prioritizes its features. Grönroos (2001) in his research of the area enlisted specific features of services that clients judge. The client is interested in basic characteristics of the provider’s activities, such as professionalism and skills, attitudes and behavior (attentiveness, politeness and respect), also availability and flexibility (convenience of office hours, short waiting time, convenient location). Reliability and inability to manage unexpected situations are important as well as reputation and creditability (it is expected that the value provided will be adequate to the amount paid). According to Bagdoniūnienė and Hopeniūnienė (2004), the majority of authors assume that reliability, the flexibility, provider’s readiness to help and to manage unexpected situations are the most important issues for clients. The above-presented brief analysis criteria applied for evaluating services, confirms that among other factors influencing the quality of services, personnel’s core competences are included.

The necessity of life-long learning is determined by constant changes within different areas and by increasing global competition as well as rapidly developing technologies. These pressures comprise external factors. In order to survive under the conditions of dynamic market, constant professional development and learning of employees should be promoted. At this point, the significance of developing core competences is emphasized as the way to cope with external pressures. According to A Memorandum on Life-Long Learning, the core competences are defined as the main competences without which individuals would be incapable of participating in both knowledge society and modern economy as well as social sphere.

Dawe (2003) states that the following factors stimulate learning within an organization, or internal factors: changes within an organization, attention to quality, and installation of new technologies, readiness to learn. It is important to ensure work security and create flexible and safe environment (Smith et al., 995). In addition, Hayton (2005) states that the follo-
wing internal factors influence learning within an organization: the size of an organization, organizational structure, dominant atmosphere, attention to personal needs of the members of an organization and managerial attitude.

According to Sakalas (1998), every organization by taking into consideration environmental conditions and internal factors of the enterprise forms an individual strategy for the development of professional qualifications. Having constituted models of competences and professional qualifications and having evaluated the need for the development of professional qualifications, a training program that will contribute to the optimization of the organization activities is chosen. At this point, it is significant to note that when striving for the development of core competencies, it is essential that the before-mentioned issues would be included into the strategy for the development of professional qualifications. Furthermore, it is important to harmonize individual development and professional development (Lauzackas, 2005a; Targamadzė, Simonaitienė, 2002).

As it has already been mentioned before (Hayton, 2005; Pundziene and Dienys, 2003), one of the factors influencing learning within an organization is its size. An employee of a big enterprise is most likely to have professional skills in a single narrow area of activities. In a small enterprise each employee has a perception of closely related areas to his/her professional area. Whether an employee will be given an opportunity to develop his/her core competences along with other competences, may depend on the organizational culture. According to Seilius (1998), every organization has its own norms, rules and scale of values influencing the behavior of its members and conditions for development. Organizational culture depends on experience of its employees, emotional attitude towards tasks, products, colleagues, and organizational management and attitude of members of organization towards change. A appropriate social, physical and other environment makes a huge impact on learning (Beresnevičienė, 2000; Teresevičienė, Gedvilienė, Šimoniūtienė, 2002).

Priority internal factors for transformation in a learning organization

However, one of the most significant factors for learning in organizations is individuality of a learner (Adomaitytė, Daukilas et al., 2003; Petkevičiūtė, 2006, Price, 2007). Here it is important to note that in this paper development of core competences is at focus (rather than learning in order to know how to operate a new line of technology better), because in labor market professional competence, personal qualities and social competence have a crucial importance today (Gruzevskis, Zabarauskaitė, Martinaitis, Pocius, Biteinys, 2007). There is a probability that career opportunities might contribute to the development of core competences. Career is a widely analyzed issue. According to Petkevičiutė (2006), career may be defined as a process of work-related experience lasting for the entire life of an individual. Price (2007) states that successful career is based on an individual’s self-consciousness, self-respect, motivation, education, experience and social contacts. Three major factors are important for career.

Discussions on what a learning organization is have gone through many combinations and transformations over the last decade in terms of theoretical development and attempts at practical application. There are varying definitions of a learning organization in published literature, although the unifying idea among them all remains clear and has been summarized by Pedler et al (1997). Authors note that if an organization facilitates learning of all its members, and transforms itself as a result of that learning, it can be called a learning organization.

Underpinning the development of management perspectives on learning in organizations is what Hawkins (1994, p. 9) calls “a change at the heart of our understanding of learning and a shift from viewing learning as being abrupt facts to learning as a more multi-faceted and dynamic process”. As Hawkins suggests, it is not that we are learning any differently than before but “our understanding of how we learn has begun to catch up with what happens in practice” (Hawkins, 1994, p. 9). Researchers have been challenged to develop and discuss concepts of learning and how they may be applied to organizational settings. The approach taken by theorists of learning organization is that an organization that learns can manage the change process more effectively than can an organization that does not learn (rather, members of an organization) (Cullen, 1999). A learning organization is thought to be about increasing an organization’s problem-solving capacity and about changing behavior in ways leading to improved performance at the individual, team and organizational levels.

Research Methodology

In order to clarify the research question (whether a decision to transform an organization into a learning organization may be triggered by internal rather than external factors) a case study was carried out in 2008–2009. The case study constituted of the following parts: analysis of internal documentation and a quantitative study comprised of questionnaires for clients and front office employees.

The attitude of the clients on services and the employees’ core competences of a state non-commercial organization (Further – organization X, library) situated in one of the largest cities in Lithuania was studied in the spring of 2008. The respondents were selected ...
by approaching every client during one week. The main selection criterion was that a respondent had to be a client of the services provided by the organization X. 80 questionnaires were distributed, and 74 of those were returned and filled in properly.

A study of front-office employees’ attitudes was carried out in the spring of 2009. The front office personnel of the relevant organization were approached. The main aim of the survey was to identify what core competences are the most significant for the quality of the activities, and what the level of a necessity for developing the identified core competences is, what encourages to develop them and what possibilities are provided for this (that is, are the members of an organization aware of the need and prerequisites for the development of a learning organization). In both cases anonymous questionnaires were used for data collection. The research data was processed by searching for correlations between the variables and selecting a non-parameter based criterion ($\chi^2$) for calculations. The selected level of the statistical significance equals to $p < 0.05$ (SPSS-16.0 software was applied). The respondents were presented with a partially structural written questionnaire made of nine closed-type questions evaluated by ranking and nominal scales. The respondents constitute 93% of all organization’s employees dealing with clients; therefore the requirements for the case study method are met (Shamoo, Resnik, 2009). A total of 110 questionnaires were distributed, 104 of which were returned. 103 were filled in fully.

According to the data obtained from the analysis of the employee’s survey, the majority of them are women, dominating age of 41 to 50 years old. The minority of the respondents is over sixty (7.3%); the majority of the respondents have university level education (87.8%).

**Figure 1.** Evaluation of core competences (and their elements) of front-office personnel as perceived by clients

It was revealed that the clients evaluate most of core competences (and their elements) either well or perfectly (Figure 1). The highest ranked quality was helpfulness (over 65%).

30 out of 74 respondents replied to an open-type question “What would you suggest changing in the customer related area of organization X?” The respondents indicated that the range of services offered...
could be expanded. Some respondents suggested establishing a cafeteria and improving conditions for using a computer and the Internet. It is evident that the suggestions were on the infrastructure of the organization, rather than on the core competences of front-office personnel.

The Attitude of Front-office Personnel (employees). As an outcome of the study it turned out that the following core competences play the most important role in the activities of front-office personnel: related to educational, cognitive, organizational and strategic competences (Magnin B., 2004, here from Paulauskaitė, 2009) and informational literacy. Over fifty percent of the respondents (Figure 2), identified that an ability to explain and provide information and an ability to learn are very important in their daily professional activities. In addition, it is important to know how to organize one’s tasks, use IT and work in a team.

The respondents noted that organizing the colleagues’ work (15%), and numeracy (13.6%) were not important for their work. Based on the research data, the least important competences in the work of front-office personnel are an ability to communicate in foreign languages, mathematical competences and an ability to organize the work of others.

It should be stated that the evaluation of significance of the core competences does not depend on the respondents, except for one item, and namely: an ability to learn. A statistically significant non-linear link exists between the age of the respondents and the way they evaluate the core competence ability to learn ($\chi^2 = 30.527; p = 0.015$). A similar situation occurs when analyzing the education of the respondents. This factor correlates only with these core competences (or their elements): an ability to solve problems ($\chi^2 = 27.789; p = 0.000$), make decisions ($\chi^2 = 22.768; p = 0.007$) and explain and convey information ($\chi^2 = 17.363; p = 0.043$). In this particular case, the insight indicated in theoretical discussions stating that the significance of the core competences depends on education and makes influence on quality, fails to be confirmed. Based on the research data, we may state that in order to achieve better quality of work, front-office personnel feel the need for developing most of their core competences (Figure 3). In most cases the respondents indicated that they are keen on developing their ability to learn (61%), an ability to use IT, an ability to identify customers’ needs and solve problems.

Figure 2. Front-office employees’ perceived significance of core competences for services provided (per cent of respondents)

Figure 3. Demand for developing the core competences of front-office personnel in pursuance of improving the quality of work (per cent of respondents)
In addition to other desired to be developed competences, an ability to develop inner potential, concentrate and adapt to changing environment and an ability to learn at work in teams were enlisted. These findings seem to indicate that the members of a non-commercial organization are aware of the need to develop their core competences, and, therefore, there is a potential for authentic transformation towards a learning organization in organization X.

It should be also noted that there is a statistically significant non-linear link between the significance and the development of most of the core competences: an ability to get into contact and sustain it with customers and colleagues ($\chi^2 = 34.151; p = 0.001$), identify customers’ needs ($\chi^2 = 21.904; p = 0.039$), solve problems ($\chi^2 = 33.150; p = 0.000$), organize one’s works ($\chi^2 = 31.214; p = 0.002, p = 0.001$), organize works of others ($\chi^2 = 57.483; p = 0.000, p = 0.000$), work in a team ($\chi^2 = 25.662; p = 0.012$), make decisions ($\chi^2 = 29.282; p = 0.004$). This implies that the demand for the development of these competences is adequate to their perceived significance.

The front-office personnel are encouraged to develop the core competences both by internal and external factors. Nevertheless, the greatest influence is that of a desire to perform one’s work in a qualitative way (internal factor). The respondents also enumerated a number of other factors (Figure 4).

The study revealed the methods by which the front-office personnel develop their core competences (Figure 5).

The data obtained matches with theoretical insights – the development of these competences within an organization may take place in the dimensions of formal, non-formal and self-based learning. However, only non-formal and self-based learning dominates in professional activities.
Conclusions and Discussions

1. Core competences are widely applicable in different daily life and professional areas. They play a significant role in constant economical, social and other changes, and are acquired by continual development and learning. A number of similarities may be distinguished in different classifications. In the majority of classifications, the same social (communicational, conflict solving, etc.), mathematical, entrepreneurial, managerial, educational, related to foreign languages, informational literacy, personal, wide-scoped, etc. abilities are enlisted. The only differences occur in their subdivision into elements.

2. In the area of service management and marketing the client is one of the central agents and the main evaluator of the quality of services. Accordingly, the significance of foreseeing his/her needs, satisfaction, and management of perceived quality and interaction with the front-office personnel are highly emphasized. This influences the significance of the competences and abilities of the front-office personnel, such as recognition of needs, communicational, conflict management, decision making, educational, general culture, personal, wide-scoped, etc., in pursuance of the quality of services. Certainly, other equivalent factors exist such as technical quality, internal relations, working conditions, requirements, regulations, etc. In order to achieve general quality of activities, all the factors should be evaluated and all parts should be balanced (functional, technical, internal, external, etc.).

3. Transformation of an organization into a learning organization may be triggered by both external and internal factors or by interaction between internal and external factors. A non-commercial organization may provide a better insight into the process, as external factors have a bit smaller impact than on organizations that are profit orientated. A state financed organization, therefore, may either continue reproducing status quo in terms of performance and goals, or strive towards development based on internal factors. Employees’ decision to perform better, and to feel pride in what they are doing, readiness of the employees to be able to learn together with colleagues, and to be able to organize work, also to develop other core competences (and their elements), may act as productive internal factors for transformation.

4. As an outcome of the empiric study it turned out that the following core competences play the most important role in the activities of the front-office personnel: cognitive, organizational and strategic competencies and informational literacy. When striving for a higher quality of activities, the employees face a strong need for developing most of the core competences. Furthermore, it turned out that respondents’ age and education plays a minor role in the perceived significance of core competences for the majority of respondents. The case study provided information for organization X on the development of which core competences to concentrate first. It seems that the front-office personnel are in need to learn in teams (which is universally quoted as one of the major competences in transforming an organization into a learning one), and to learn to start and maintain a contact with the client.

5. It may be concluded that internal factors (including attention to the development of core competences) may be of the same importance in triggering transformation towards a learning organization, as external ones (globalization, technological advancement, competitiveness).

References


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**Transformavimasis į besimokančią organizaciją: veiksnų perspektyva**

Santrauka

Šio straipsnio tikslas – pristatyti atvejo studiją, kuria siekta nustatyti, ar sprendimą transformuoti organizaciją į besimokančią organizaciją gali lemti ne tik vidiniai, bet ir išoriniai veiksniai. Suformuluotas tyrimo klausimas, kad galima identifikuoti, ar vidiniai (sprendimas tobulinti bendrąsias organizacijos narių kompetencijas), ar išoriniai (konkurceningumo siekimas technologijų kaitos kontekste) veiksniai paveikia transformaciją, analizuojant, kaip organizacijos nariai vertina savo bendruosius gebėjimus ir jų tobulinimo reikmę.

2008–2009 m. atliktą atvejo studiją, kurioje išanalizuoti vidiniai organizacijos dokumentai, apklausti klientų ir personalas, siekiant išaiškinti, kaip jie vertina personalo bendruosius gebėjimus ir jų tobulinimo reikmę.