

# Compare the Effect of Privatization & Nationalization on Learning Environment in Pakistan

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## Abstract

The process of privatization and nationalization is part of the economic policies of a country. But how it affects the performance of those organizations that might be victim of these policies? We check the effects of these policies on learning attitude of the organizations and take the response of almost 50 respondents on a questionnaire developed by peter Kelvin and get out put through SPSS by applying paired t-test. Our results support  $H_A$  hypothesis and negate  $H_O$  which support our theorem that there is a significant difference lies between privately owned firm and government operated organizations.

**Keywords:** System thinking, privatization, nationalization, transformation, supportive learning

## INTRODUCTION

Our intention of study is to observe the learning process of organizations. The process of transformation of environment taking place so rapidly that ought to effect and generate endanger situation for the survival of traditional organizations. Due to this instability, organizations must keep into consideration the significance of learning because the concept of learning is not too much new, our world shows this phenomenon on every tick of the clock as we observed, how human needs change its shape and everything port to virtualization, the journey of IT completely expose this phenomenon with great clarity.

Organizations who indulge in corporate business feel that process more than the others because its huge structure demands extra invigilation. This new dimension of knowledge provides assistance at large for the survival and sustainability of organizations in that very much diluted environment. Adaptability is not a new subject it is prevailing till the universe comes into existence beside the logic: "Nothing in life is stagnant, it's either gets better or it gets worse". Organizations also considered being a human being, it have a birth, infancy, puberty and dying period. During its growth there is need to be feed something regularly in form of technology, process, knowledge etc. otherwise it loses her puberty before the time being and dead. So, this concept, first and foremost, introduced by Peter M. Senge (1990) in his book "The Fifth Discipline" where he was introduces the new concept of learning organization and this approach were succeeded to grab the attention of business experts/titans. After this a series of research topics starts in that field and most authors take aspiration from the writings of Peter M. Senge (1990). In his book he, primarily, introduces the fifth and the most sensible truth about the organization i.e. system thinking (Integration of all dimensions of the organization). His more stress was toward collective approach; in his perspective every individual should try to enhance their capability and capacity (Their intellectual and physical participation) to the collective wellbeing of the organization.

Being a sustainable object it is crucial and irrefutable to make an organization a learning and adoptive. To break the state of inertia to get something new, to break old mental approaches and to find one best and finest way to compete with new business challenges. Thus "change is the end result of all true learning". Learning is not a passive but active process as "Learning is an unceasing practice and learning organization should be an infinite state of an organization because of the constant need for learning"(Moilanen, 2005). Due to "tough opposition, technology expansions and ever-changing customer preferences, it's more essential than ever for the organizations to develop a learning organization"(Garvin, Edmondson, & Gino, 2008). Thus the idea of learning organization easily penetrate in the business world and organizations tried to show the learning attitude.

The process of learning is not as simple as it looks like; it's a very rigid and continuous process in which a company must indulge with all their dimensions like organization's culture, strategy and structure. This is the reason due to which some organizations have achieved this ideal.

In Pakistan the situation is quite different from the other developed countries because here this idea of learning organization is very much new and the research material on this topic is also have a very short existence thus, primarily, there is a need of understanding the culture and structure of Pakistani organizations. Mostly organizations still follow the ideas of bureaucratic way of leadership which is not so beneficial for the sustainability of organizations as well as flourishing for the learning environment. Our current study's fundamental purpose is to assess the learning environment of organizations and to conclude results in form of "Either this organization is a learning one or not? For this purpose, First, We consider those firms that face two

different approaches of management (Public & Private). Because both of them have different environmental structures due to their policy differentials. Pakistan at different stages adopts different policy structures for business community (Privatization & Nationalization), so we analyze the impact of both management styles on learning environment. Therefore we elect those business units who have the past experience with both approaches. For this, we used assessment toolkit of (Assess Your Learning Culture) which provided in the Peter Kline's book of "Ten Steps To A Learning Organization" (Kline & Saunders, 1993) through which we tried to assess learning culture/environment that how much intensity the employees and the overall system of the organization (Public/Private) integrate with each other for creating a best supportive learning environment.

### Objectives of the Study

The primary intention of this study is to determine the basic components that play their role to construct a learning environment. Because behind every incident there is some force that initiates this process and these root forces play a vital role in the success/failure of that incident.

- Check the effect of nationalization and privatization on learning environment
- Analyze the performance level of organizations in both the dimensions
- Employee's attitude toward learning

### LITERATURE REVIEW

To understand learning we can use the concept of B.F. Skinner that says "Learning is a constant change in behavior either the reason is internal or external" (Anderson, 2000). Thus we can describe it as learning is an endless process (Moilanen, 2005). Senge (1990) presented the idea of learning organization gained a lot of appreciation when he wrote his renowned book *The Fifth Discipline*. This book contained some practices through which an organization gained a competitive edge i.e. systems thinking, personal mastery, mental models, shared vision, and team learning. These five disciplines could be support to establish and to enhance the process of continuous learning of both individually and collectively (Senge, 1990). He proposed that the people should forget their old ways of thinking (Mental model), they must be enjoined and integrate all the dimensions of organization (System thinking), getting consent of everyone (Shared Vision), try to enhance their proficiency level (Personal mastery), and to work as a unit for getting better results (Team learning). After investigation supposes three main and critical issues which could be essential to become a learning organization and denoted as "Three M's". The first one is related to determine the question of meaning (Vision) well defined pathway of learning for the organization, second represents the management (Sound practices and tools) and the last one is the measurement (Audit) of the organization (Garvin et al., 2008).

This criterion never attains in an overnight process. This requires a strong commitment, unbreakable attitude and an engrained planning with slowly and steadily. So we can say a learning organization is that who must continue and skilled their labor/employees/management to creating, acquiring, and transforming knowledge for the purpose of making innovations in their processes and methods (Garvin et al., 2008). Subsequently a learning organization is to become a most successful organization in late twentieth and twenty first century (Ali, Bajwa, & Shahzad). An organization grows when any individual of the organization learns something new from the environment (Marquardt, 2002). Thus environment plays the pivotal role in organization's learning. In Pakistan learning environment in organizations is different as compared to the developed countries, here the organizations still hesitate to adopt this ever new concept of learning organization, and they still believe on the old ways of managing organizations especially public sector. Therefore in this study we will try to expose those hidden forces and obstacles that play the role of impediment in the implementation of learning organization concept.

### Hypothesis

The null hypothesis  $H_0$  denotes that there is no significant effect on learning environment of privatization and nationalization and  $H_A$  denotes that there is a significant difference between those. Thus

$$H_0 = \mu_1 = \mu_2 \quad (\text{Means are equal})$$

$$H_A = \mu_1 \neq \mu_2 \quad (\text{Means are not equal})$$

### RESEARCH METHODOLOGY

We conduct this research for the sake of measuring organization's learning culture to extent that how surroundings of an organization could affect learning process. Culture could be supportive for learning or not. The thing about which we talk does not exist substantially but have a strong contingent effect on the organization's performance. We take PTCL as our test object to check the effect of culture on organization's learning process in both the circumstances i.e. before and after privatization.

PTCL is a very well-known telecommunication organization whose level of performance changes to a very great extent after getting the status of partially private organization. Currently it has 26000 of employees

that broadly represent its scope of business. In 2007 when PTCL organization partially privatized, the most probable thing which this organization embraced is the modern style of management. Because pre-privatization the organization's level of performance and management were so meager that they quiet follow autocratic style of management. After changing management style, the consequences ultimately affect the organization's culture. That was cause to increase their profit and market share (Choudhary, Khan, Abbas, & Salman, 2008).

In this research our ultimate object is to determine the most probable factors of culture that could be effect the learning process of an organization, so for this purpose we need some strong base of variables that provide us information in a great magnitude about the relationship of culture and learning process, therefore we adopt peter Kline's tool from the chapter "Assess your learning culture" in the book (Ten Steps to a Learning Organization). The motive behind the selection of this tool is that the validity of this instrument is not to be questioned. And the author mostly covers all perspectives about culture assessment. In this instrument 36 variables have been used to assess learning culture that is valid and good. We send this questionnaire to our target population through e-mail and by postal services. Thus we able to take the opinion of 90 employees randomly from 26000 sample population of PTCL organization. Organization has offices in different regions for the easiness of their functions and to facilitate customers. So we collect data from the following areas i.e. Faisalabad, Jhung, Gojra, Toba, Bhakhar, Islamabad and Sargodha for the validity of our research results. After the collection of data we put this data into SPSS and applied the paired t-test on this data to get results.

### Sources of Data

In this research we used both of the methods to collect data i.e. Primary and secondary. For primary data we filled questionnaires from the respondents and conduct brief interviews to collect their opinion on that specific topic.

### Data Analysis and Variables Affirmation

Peter Kline's book holds ten hierarchical stages towards learning which depicts its gradual escalation toward learning behavior because all of these depend on each other and the presence of one gives the prove of the others. Hence for our research we used first step which relate to organization's learning culture. Peter Kline refers a questionnaire to assess this activity. This questionnaire covers 36 dimensions to assess culture of an organization and we work on all these dimensions. We get the response of 90 respondents and inter this data into SPSS 16 to get output in manageable form. After getting response we apply alpha ( $\alpha$ ) test on it and getting appreciate able results which depicts the authentication of our questionnaire. The table 1, gives support to this statement. For further tests we apply paired t-test to check the mean square difference between two groups.

**Table 1: Reliability Test**

#### Reliability Statistics

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .905             | 35         |

Table 2 clearly demonstrate the results in favor of  $H_A$  because mean of the both groups has a significant difference and depicts that after privatization organization achieve significant growth as compared to the previous one when it works under the supervision of the government. Table 3, given in appendix C showing the correlation among these two groups.

**Table 2: Paired Samples T Test**

#### Paired Samples Statistics

|                             | Mean         | N  | Std. Deviation | Std. Error Mean |
|-----------------------------|--------------|----|----------------|-----------------|
| Pair 1 Before Privatization | 1.9321429E0  | 35 | .27952416      | .04724821       |
| After Privatization         | 3.08632219E0 | 35 | .438170962     | .074064411      |

#### Paired Samples Correlations

|   | N  | Correlation | Sig. |
|---|----|-------------|------|
| Pair 1 Before Privatization & After Privatization | 35 | -.153       | .381 |

### Paired Samples Test

| Paired Differences |                |                 |   |             | t       | df | Sig. (2-tailed) |
|--------------------|----------------|-----------------|---|-------------|---------|----|-----------------|
| Mean               | Std. Deviation | Std. Error Mean | 95% Confidence Interval of the Difference |             |         |    |                 |
|                    |                |                 | Lower                                     | Upper       |         |    |                 |
| -1.154179331E0     | .554578013     | .093740793      | -1.344683544                              | -.963675119 | -12.312 | 34 | .000            |

### CONCLUSION

The results and findings of the research clearly support our theorem that in private owned organizations the learning environment is more supportive as compared to the government owned organization. What is the reason behind it? It is another debate because in private owned organizations the management applies strict policies and on regularly basis gets feedback and response from the employees. It is unfavorable for the private owned organization's employees that they have no job security but they have the proper system which support their cause and motivate them to work in this condition. Basically the system is the foremost point of attention of this theorem that through a well-established system we can make our organization a learning and adoptive. Because system is the thing: which give employees a friendly and competitive environment. The system in which all parts of the organization integrate with each other and cause to enhanced the proficiency level of each one. And the other important aspect of this research is the proper implementation of this system which makes you divergent from others.

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