

Learning Organization is an umbrella term that covers system thinking, shared vision. Knowledge creation, knowledge transfer, innovation in behaviours, nurturing new ideas and sensitivity to change in an organization. The key success factors for an organization are learning and implementing what is learned. However, these phenomena must be linked with organizational commitment and effectiveness that contributes to achieve business success.

Three instruments are used in this study. To measure learning organization practices Degree of Learning Organization Questionnaire (DLOQ) developed by Marsick & Watkin (2003) was used. DLOQ is comprised of the seven dimensions. To measure organizational commitment Organizational Commitment Questionnaire (OCQ) developed by Mowday, Steers, and Porter (1979) was used. This instrument has three aspects of commitment. To measure organizational effectiveness SOQ (Survey of Organization Questionnaire) developed by Taylor & Bower in 1972 was used. This instrument has three aspects of effectiveness.

Convenient sampling technique was applied. A sample of 200 employees was taken from commercial banks in Faisalabad. Survey questionnaire method was used to obtain the response. Five points likert scale was used in questionnaire. Mean differences of demographic variables were measured by using t-test and ANOVA. Structural Equation Modeling was used to determine the impact of learning organization practices on organizational commitment and effectiveness in commercial banks of Faisalabad. The results of study showed significant positive impact of learning organization practices on organizational commitment and effectiveness. The banks in Faisalabad should opt for learning organization practices in order to enhance the commitment and effectiveness of employees in order to achieve the organizational goals.