

CHAPTER II

REVIEW OF LITERATURE

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For the better understanding of research problem; researcher has referred various articles and studies related to learning organization, employee engagement, retention and job satisfaction which not only help in understanding concepts but also helped in getting knowledge related various affecting factors.

International Studies

Drew, S. and Smith, P. (1995) published article on “The learning organization: “change proofing” and strategy” They stated that it is beneficial to link organizational learning with strategies for restructuring, business process re-engineering and corporate transformation. Such radical change can best succeed if attention is first paid to overall organizational readiness. Suggests a framework for conducting this type of “change audit”. Concepts of the learning organization can be utilized to “change proof” the firm – to increase its capacity to withstand and exploit unexpected and rapid change.

Gardiner and Whiting (1997) research suggests that altered behaviours managed by learning organizations in response to external environment not only bring with beneficial effect on organization performance but also improve the job performance and satisfaction of employees.

Guria (1999) did her study on ‘A comparative study of the role of learning organization and social support systems in management of conflict.’ Main objective was to study ‘role of organizational factors in conflict resolution strategies’ the data of 100 employees working at all levels from two organizations out of which one is IT industry, and another is manufacturing. There is significant negative relationship which it bears with the total work experience and experience in the present organization. It means when individual grows and stays for long duration, he/she is expected to be more mature, to be knowing more about the organization, and to be able to provide support to the juniors rather than to seek more for oneself. There is significant and positive relationship between the social support and organizational learning in organization II. This indicates that greater the amount of social support in an

organization greater will be its learning phase, learning mechanism and thus the overall learning. On the contrary the organizational learning will be reduced due to a lack of social support.

Holton and Baldwin (2000) proposed that the learning organization and transfer of training are both critical tools for learning and managing knowledge in organizations. For the organizations to develop in order to succeed in today's turbulent marketplace are required to have learning organization and transfer of training as competencies. The learning organization facilitates continuously learning and knowledge management which are described as an important strategy for making improvements in organizational performance and maintaining a competitive advantage.

Sudhratna and Li (2004) measured the relationship between Learning Organizations characteristics and an organization's readiness-to-change. It resulted in a substantial relationship between readiness to change and learning organization characteristics of knowledge transfer, cultural values, communication, leadership commitment and empowerment, employee characteristics, and performance upgrading. They ensured that Learning organization characteristics are correlated to an organization's readiness-to-change, suggested that it is required for organizations to develop into Learning organization in order to survive and/or prosper in a competitive business environment.

Kontoghioehes, Awbrey and Feurig (2005) studied the relationship between certain learning organization dimensions and change adaptation, innovation as well as bottom line organizational performance. Learning organization dimensions viz Open communication and information sharing, risk taking and new idea promotion, and information, facts, time, and resource availability to perform one's job in a professional manner were the strongest predictors of rapid change adaptation, quick product or service introduction, and bottom-line organizational performance.

Dymock and McCarthy (2006) described in their paper titled “Towards a learning organization?” the purpose of their study was to explore perceptions of employees for the development of a learning culture in a medium-sized manufacturing company which was aspiring to become a learning organization. The data analysed by an extended interview with the company’s Organizational Development Manager, a validated questionnaire on the learning organization with a cross-section of 80 staff, and semi-structured interviews with a stratified sample of 20 employees. They found that company was using learning to develop employees and they were at various stages of understanding and acceptance of the requirement of learning and competence development on the job to sustain and develop the company. A tension was noticed between the aspirations of some employees and company’s objectives. The majority appeared to accept the overt learning policy as their and company’s wellbeing

Wang (2006) discussed in his article about “Human Resource Management Plays a New Role in Learning Organizations”. HRD is responsible for preaching their people about company’s vision, values and techniques of systematic problem solving. Only if employees of the organization learn to scrutinize their values, co-create visions, redesign their approach to solving problems, and think systematically, they can become world class adapters who are fluid, fuzzy, and fast.

Dirani (2006) proposed a model that links the learning organization theory as a process with job satisfaction as a performance. Published paper proposing a model, linking the learning organization theory as a process with job satisfaction as a performance theory outcome. He reviewed literature for three process levels of learning within the learning organization and three outcome levels of job satisfaction: individual, group and organizational levels. The paper suggests that this model is rather one of reasonable answers to quantitatively measure learning and performance.

Chang and Lee (2007) presented in their study titled “A study on relationship among leadership, organizational culture, the operation of learning organization and employees' job satisfaction”. Total 134 respondent's response were analysis for the same. The research results indicate that the various operation extents of learning organization have significant difference under the dimensions of leadership, organizational culture and the operation of learning organization. Both leadership and organizational culture can positively and significantly affect the operation of learning organization. It was found that operation of learning organizations has a significantly positive effect on employees' job satisfaction.

Kelley, Blackman and Hurst (2007) describe in their research work on “An exploration of the relationship between learning organizations and the retention of knowledge workers”. It emphasizes that human resource (HR) managers must recognize specific relationships between learning organization elements, job satisfaction facets and turnover intent as they emerge for their knowledge workers. It analyzed 148 knowledge workers from information technology industry. Analysis presented evidence of a relationship between learning organization disciplines and turnover intent. All the learning organization disciplines (Personal mastery, shared vision, team learning, mental model and system thinking) correlated to at least one of the six job satisfaction dimensions. Relationship between the disciplines of Learning organization and the job satisfaction facets was found. Job satisfaction dimensions viz comfort, challenge, reward and relations with co-workers are affected in one way or another by the learning organization elements.

Karimi (2007) did study on “influence of learning organization on job satisfaction: a survey of employees in organizations for disabled persons in Nairobi.” The sample consisted of 80 respondents. 40 of whom were human resource managers or administrators while the other 40 were employees in non-management positions. The test revealed a perfect positive correlation between the two variables. It also means that job satisfaction in these organizations was greatly influenced by the learning status of these organizations. It is noted that the organizations for the disabled have embraced elements of a learning organization. This could be due to the fact that these organizations rely on

donations and donors would be more interested in supporting organizations, which are efficient, which is a product of learning organization.

Yaghoubi, Raeisi, Afshar, Yarmohammadian, Hasanzadeh, Javadi and Ansary (2010) examined the relationship between learning organization and organizational commitment among nursing managers. They found significant relationship between Learning organization and organizational commitment and between learning organization and job experience.

Idris, Alipour and Karimi (2011) examine the way of knowledge is created and transferred in learning organizations. They mentioned about required conditions in promoting knowledge creation, the techniques required to capture knowledge in organizations, the nature of learning organizations and how it can influence knowledge creation and transfer. It presents an combined view of how learning organizations affect knowledge creation and transfer.

Seyyedi and Damirchi (2011) explored a relationship between the learning organization and transfer of training strategies for learning and managing knowledge to make performance improvements gain or maintain a competitive advantage. Positive relationship suggesting that learning organization is more likely to practice transfer of training. The relationship between learning organization and transfer of training can lead to performance improvements and maximize the advantage obtained and enable organizations to remain competitive in the face of global competition.

Al-Nsour and Al-Weshah (2011) explored relation between the learning organization and intellectual capita in Jordanian banking industry. Human capital, structure capital, and customer capital are the three dimensions of intellectual capital. Positive impact was found between learning organization and banks intellectual capital. Further discussed sustainable advantages for banks in emerging economies by the understanding of the role of organizational learning in creating intellectual capital.

Som, Nam, Wahab, Nordin and Mashkuri (2012) examined how learning organization elements (LOE) were implemented amongst non-profit organizations (NPO's) in Singapore. Findings suggested that elements such as clarity of mission and vision, experimentation and intrinsic motivation, leadership commitment and empowerment, and organizational learning practices were deemed to be essential for NPOs to be transformed into a learning organization. Other elements such as individual learning and team-problem solving as well as organizational learning practices were also mentioned by respondents as important elements toward NPOs performance.

Razali, Amira and Diyana (2013) examined “Learning Organization Practices and Job Satisfaction among Academicians at Public University”. It described the practices of learning organization among academicians and how it may influence their job satisfaction at public university. The data gained shows that the academicians most practiced dimensions was strategic leadership while encourage collaboration and team learning is the lowest practiced dimension. It resulted positive relationship between learning organization practices and job satisfaction among the academicians.

Kang (2013) studied effect of Learning Organization on Organizational Commitment and Turnover Intention in Social Welfare Organization: Focused on Senge Model. The objective of study was to investigate the effect of learning organization on social worker's organizational commitment and turnover intention in the social welfare organization. Learning organization was includes on the P. Senge's learning organization model discipline viz shared vision, personal mastery, team learning and system thinking.

The results summarized as follows: Mean analyses showed that social workers perceived the level of learning organization had a higher than medium. The shared vision, personal mastery and team learning had a positive effect on the social workers' organizational commitment. Shared vision and team learning had a negative effect on the social workers' turnover intention. It finally describes theoretical implications for future study and practical implications for learning organization strategies on the results.

Erdem, Abdurrahman, and Ibrahim (2013) in their study on Relationship between Learning Organization and Job Satisfaction of Primary School Teachers. The major aim was to examine the relations of learning organization level perceived by primary school teachers to job satisfaction. The quantitative survey was done among 450 primary school teachers working in the city centre of Van province, eastern part of Turkey.

Results indicates that Average mean for Job satisfaction of teachers was at satisfied level. No statically significant differences were found in terms of gender and subject matter of teachers at the level of dimensions of learning organization and job satisfaction of teachers. Statistically significant differences were found at the two dimensions of learning organization, team learning and shared vision in terms of service period of teachers; whereas no statistically significant difference at the rest of the dimensions of learning organization i.e. personal mastery, mental models, and system thinking. ‘team learning’ and ‘Shared vision’ as dimensions of learning organization accounted for 36.3 % of the total variance in job satisfaction of teachers. Suggestion was given to increase teachers’ job satisfaction level, as crucial factor for teachers’ performance, and perceived learning organization of teacher should be increased

Gilaninia, Rankouh, and Gildeh (2013) described in their article titled “overview on the importance of organizational Learning and learning organization” There is the dynamics of environmental changes in the present time, manager of modern organizations is a something very complex and ways that was used to manage organizations in the past, have lost their effectiveness. Thus, to deal with management field’s issue, we are always seeing new ideas. Necessary to implement such ideas, that organizations create basic changes in their management and learning methods that always ready to learning and new ideas embrace for adapt with changes. Modern management’s new idea is called learning organization that emphasis on learning and adaptation is continuous.

Song, Lim, Kim and Kang (2014) have done research on “Team performance in learning organizations: mediating effect of employee engagement.” The sample of 309 cases were used for data analyses from major Korean for-profit firms. The cultural aspects of the learning organization positively and directly affect the employee engagement, while cultural aspects of the learning organization positively affect team performance; positively and indirectly only through the employee engagement; and the employee engagement plays a full mediating role in explaining the relationship between the learning organization and team performance.

Dekouloua and Trivellasb (2014) in their research paper titled “Measuring the Impact of Learning Organization on Job Satisfaction and Individual Performance in Greek Advertising Sector.” A questionnaire survey of 251 staff members who are employed by 49 advertising agencies was conducted. They found that learning-oriented operation is a vital forecaster for both employee job satisfaction and individual performance, while job satisfaction remains an intermediary of the relationship between learning organization and job performance.

Farrukh and Waheed (2015) discussed about “Learning organization and competitive advantage-an integrated approach”. They integrated views of different researchers about leaning organization and competitive advantage and then to develop a proposed model of Learning organization. The in-depth study of literature it was concluded that learning organization is an organization which learns through its members individually and collectively to create competitive advantages by developing a facilitative system through the process of self-development and information sharing by empowering the employees. Some critical factors were found which should be in the in the organization if they want to become a learning organization. These factors are self-development, information sharing, Innovation, facilitative leadership, empowerment, and collective collaboration.

Darvishi and Kohandel (2015) studied Relationship between Learning Organization and Quality of Work Life among Physical Education Teachers in Delfan, IRAN. Study carried out to investigate the relationship between learning organization and the quality of work life among physical education teachers in Delfan, Iran; among 84 male and female physical education teachers. They found significance relationship between learning organization and Quality of work life and its components, which includes team communication, role clarity, decision making, organization commitment and organization participant, occupational stress and organizational conflicts. It represents that the dimensions of QWL can be a good predictor for the learning organization.

Nyukorong (2016) did survey on “Leadership, Learning Organization and Job Satisfaction in Ghanaian Telecommunications Companies”. Its main purpose is to explore the relationship between leadership and learning organization dimensions on employee job satisfaction. The survey covered 500 individuals working with top telecom companies in Ghana. The study resulted a positive effect of interactive learning organization building blocks on employee job satisfaction. Organizational learning activities is the major stimulus of job satisfaction. The study also indicated leadership behaviors to cause significant positive impact on operating of learning organizations.

Huang and Yao (2017) studied “Effect of Learning Organization on Organizational Communication and Organizational Creativity in High-Tech Industry.” They analyzed data of 376 supervisors and employees of manufacturers in Weihai Torch Hi-Tech Science Park in Shandong Province. They found that learning organization presents positive and significant effects on organizational communication, organizational communication exposes positive and remarkable effects on organizational creativity, and learning organization shows positive effects on organizational creativity. The evidence shows that learning organization can helps in enhancing employees’ involvement and participation as well as organizational communication for employees encouraging the organizational creativity.

Kassar (2015) published paper titled “The Learning Organization Concept: A Study on Private Companies in Dubai” Organizational learning is a principal tool in achieving long-term survival and sustainable competitive advantage of an enterprise. There is considerable debate regarding the importance of organizational learning and its impact on the performance and competitive advantage of the organization. The aim of his study is to study to which extent the concepts of the learning organization are present in private companies in Dubai. A survey research design was done for selection of the organization as the unit of analysis. The target population were managers from all level human resources, general management, administration, marketing sales, operations, and technical head. As they are positioned to assess the organizations' learning needs, systems and philosophy, and understand where the organization stands in relationship to these issues. The data of 155 respondents were analyzed. Based on the above findings, study can reject the null Hypothesis that Dubai Private Companies do not embrace the Learning Organization Dimensions & accept the alternative. Thus, Dubai Private Companies accepted to some extent the Learning Organization Dimensions.

Ranta (2018) did case study on Measuring learning organisations. The empirical survey was done which consisted of a learning organization survey and analysis of the results. The aim was to illuminate the concept of learning organizations as well as identify whether the organization can be considered a learning organization. He has outlined how learning occurs at individual, group and organizational level in the organization.

Pravitasmara, Christantius, and Lieli (2018) a qualitative study on learning organization as an essential action lowering skill mismatch effects. Observing the learning organization principles, employees should increase their capacity by minimizing the negative effects caused by the effects of skill mismatch. This study selected hotel business as an observation unit as the hotel is such a storefront of tourism in Indonesia. The research was conducted in a descriptive-qualitative manner and used five-stars hotel in Indonesia. The results were related to the previous researches on learning organization and training prior to

working. Findings represents that in the process of organizational learning; was originally started with the involvement of the organization.

National Studies

Agarwal (2006) studied “Learning organization and its relationship with organization and individual competency”. Researcher has chosen 520 employees working in manufacturing, IT and telecom sector. Two manufacturing sector, two IT sector and two from telecom sector was selected from Chennai region.

The results show that learning and competency differ manufacturing sector, IT sector and telecom sector. Learning and learning dissatisfaction also differ between Indian organization and foreign based organization. Higher the learning, higher is the individual as well as organizational competency. Lower learning dissatisfaction higher organization competency and individual learning. Dimensions of learning organization come out explaining variable of organisation competency ‘Learning approach to strategy, Informing, formative accounting and control, Internal exchange, enabling structure, Boundary workers as environmental scanner, Intercompany Learning, Learning climate and self-development opportunity for all’ ‘Learning approach to strategy, Informing, formative accounting and control, Internal exchange, enabling structure, Boundary workers as environmental scanner, Intercompany Learning, learning climate and self-development opportunity for all’ emerge as dimensions of individual competency. The dimensions of dissatisfaction explaining variance of organization competency was served as Informing, formative accounting and control, Internal exchange, enabling structure, Boundary workers as environmental scanner, Intercompany Learning, learning climate and self-development opportunity for all served.

Babu (2009) conducted study on ‘Building learning organizations: a study of thermal power plant in India.’ Data analyzed of 420 employees working in 14 coal based Thermal power plants of leading power utility in India. The presences of dimensions of learning organization was found in Indian thermal power plant and learning lies at individual, group and organizational level.

Learning dimension and learning outcome have positive relations. Learning share positive relations with performance.

The series of actions was taken by organization to create learning organization such as aligning vision, various steps of continuous training and learning, induction training, academic enrichment initiative, survey, idea generation scheme, team-based knowledge enhancement scheme, information sharing system etc.

Learning do not differ at individual as well as group level. Learning also resulted into improved organization performance.

Mehta (2010) did study on ‘Learning organization practices in Indian organizations with specific reference to Gujarat’ Learning capacity differ from one company another. Different companies have different variables relevant to learning capacity. However, openness to new idea, team work, experimentation with new ways of working, spreading knowledge in the organization, reward, psychological safety, training, collection and transfer of information from top to bottom and leadership which enforces learning seems to be essential ingredients for learning organization.

Pota (2012) conducted study on ‘Dimensional analysis of learning organization and its application to power sector in Gujarat’. Data analyzed from 250 cadres from 7 companies of GUVNL companies. Results for continuous learning differ for seven companies from one another and in general practice it is at lower level. Companies have marginal inclination for organization transformation exception of GETCO company with higher tendency. Technical persons have stronger concern with knowledge management compared to non – technical. Performance local on people employment and knowledge management is low in building Learning organization. Overall result was not satisfactory and there is need to strengthen each dimension to increase performance level.

Ratna, Khanna, Jogishwar, Khattar, and Agarwal (2014) published research article on “Impact of Learning Organization on Organizational Performance in Consulting Industry.” Purpose of study was analysed learning organization, organizational performance and its relationship. The survey done among 50 employees of leading consulting firms who are working on various positions of management cadre. The results show that there is a positive correlation between Learning organization and Organizational Performance.

Mishra, B. studied impact of Learning Organization Attributes on Organization Performance: A Study of An Indian PSU. Results indicate presence of relationship between learning organization dimensions and performance. These findings help us to infer that there is existence of effective learning organization characteristics. He found positively association between global level learning and financial performance. Thus, direct relation was found between Global Level learning and financial performance.

Agrawal in his paper titled ‘OD-HRD Interventions for Creating A Learning Organization: My Experiences and Reflections as A Change-Agent’ stated that from last twenty years; some of the OD a learning intervention used as an internal and external change agent.