The Effect of the Learning Organization on the Performance

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Abstract: The Concept of learning organization have key role in academic researches, because of the best learning process is resource for core competency. Organizations that selected strategies of learning organization think to improve themselves performance. There is a gap between performance and learning organization in the literature review. In this paper, we seek to review mechanism of learning organization effects on performance and to develop a mathematical and dynamic model between them in the Iranian organizations. It verifies and validates in the Sazeh Gostar Saipacompany.

Key words: Learning organization · Innovation · Organizational Learning · Performance

INTRODUCTION

According to researches activities, there are many descriptions for learning organization. The most of descriptions focus on knowledge acquisition and transferring in individual and group learning, integration and improvement of behaviours and activities [1]. In addition to, learning organizations have enterpreneur culture, felexibility and organic structure because of they are market orientation [2, 3]. Today, concept of learning organization is proved. Researchers suggest to organizations that compatible with learning organization strategies for improvement of the organizational, group and individual learning and learning improvement causes performance promotion [4]. Many researches have done on learning organization recently, learning organization paradigm is very important because of its models is reliable for dynamic enviromnet of business [5]. Learning organization paradigm is necessary approach for organizations that seek to keep in competition infradynamic environment. This paradigm bases on endogeneous focus of organizations for learning. Today, speedly changes cuase on difficulty of competition and shortly of prediction horizon. Therefore, organizations should be move to learning organization for solving their problems [3, 6].

The paper has the following structure. Section 2 is about learning organization. Section 3 describes learning organization and performance. Section 4 deals with case study. Section 5 presents discussion and conclusions. Finally, section 6 is devoted to the future extension.

Learning Organization: Learning 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 [7,8]. The basic rationale for such organizations is that in situations of rapid change only those that are flexible, adaptive and productive will excel. For this to happen, it is argued, organizations need to ‘discover how to tap people’s commitment and capacity to learn at all levels. The need for learning organizations is due to business becoming more complex, dynamic and globally competitive. Excelling in a dynamic business environment requires more understanding, knowledge, preparation and agreement than one person’s expertise and experience provides. David Garvin of Harvard University says that “Continuous improvement requires a commitment to learning” [8, 9]. The five disciplines of a learning organization are systems thinking, personal mastery, mental models, shared vision and team learning. The first three disciplines have particular application for the individual participant and the last two have group application. System thinking has the distinction of being the "fifth discipline" since it serves to make the results of the other disciplines work together for business benefit [7, 8, 10]. According to the "fifth discipline", researchers have been extracted many parameters of the "fifth discipline" for improving organizations and converting to learning organization. Some of these parameters are very important and effective in organizations success and so,
these effective parameters are very affectable on learning organization, some of effective parameters that affected on learning organization present in this paper. These are extracted in literature review; the effective parameters influence on learning organization is Evaluative System, Empowerment, Flexibility and Organizational climate. Promotion of effective parameters affects on Competitive advantage and Innovation, therefore it increase performance in organizations. In this section, it describes effective parameters: Empowerment, Evaluative System, Flexibility, Organizational climate, Competitive advantage and Innovation as follows:

- **Empowerment**: empowerment in organizations has needed to trust of persons and groups. It ceases to do critical tasks of organization without correct control. Trust that has between organization and units and persons, affects on the organizational and personal knowledge [11]. Study of empowerment refers to team study, organizations that remove hierarchy, deal to converting to learning organization. Fisher in his book emphasizes to team working, team working increases strengths of organization and deals to empowering. Learning organization has been established by empower teams. Fisher explains empowerment that it is function of four variables (authority, resource, information and accountability) [12].

- **Organization climate**: there are four parameters that affect on organization climate.

**Trust**: trust is the main specification of post-bureaucratic organizations and facilitates team dynamics [13, 14]. Value of trust bases on this fact that creates level of coordination in organization. This is very important and valuable [15]. Today, organizations able for creation of motivations that ceases necessary cooperations, but trust could be increase voluntariness cooperations [16]therefore, it will be increase attention to dynamics of trust in the management field [17].

**Communications**: effective communication is necessary for creative interactions and good cooperations and coordinations. Ability of organizing, creation and diffusion of information and knowledge is core competency in any organization and it is necessary for dynamics of team working and coordination [18, 19]. Communication technology helps to organizations for decreasing of complexity and facilitates to flow of information transformation between teams and networks [20, 21]. Role of staff as important neural centers in promotion of involvement feeling ceases to increase of commitment, flexibility and innovation [22, 23].

**Commitment**: learning organization increases commitment of staff, the efficience commitment creates a correct relation between staff and organization such as tendency to continuance in organization [24]. There is gradual from loyalty to proportion of values and effective commitment, commitment is as critical element for cooperation [24, 25]. Commitment could be use as a lever for increasing of flexibility [26, 27].

**Flexibility**: flexibility is need for agility and responsibility, these parameters is effective in epoch of change [27, 28]. Environments that have specifications such as empowerment, entrepreneurship, autonomy and movement growth flexibility. Capacity of flexible organizations could be affect on empowerment and teamwork [27].

**Competitive Advantage**: structure of competitive advantage is base on four factors (customer’s responsibility, competitor’s responsibility, market sensing and distinct productions) [23, 28].

**Customer’s and Competitor’s Responsibility**: market base organizations are successful because of them known past, present and future of their organizations. There are tree critical trend for them [25]: change speed, accessibility of information resources, professionality. These parameters are key elements that affect on competitive advantage [22, 24].

**Distinct Productions**: distinct productions improve competitive advantages in organizations; these include many activities that affect on performance [23].

**Market Sensing**: organizations that learn about their markets could be responsible and improve core competency better and speedy than other organizations [19, 21]. Market sensing is process of data gathering and distribution of market needs; it improves customer's needs as well as [23].

**Innovation**: innovation is key element for competency and successes in organizations [16, 28], it is necessary for organization that develops new ideas, controls personal creations and applies personal innovations [16, 18]. Management plays key role for applying human capacities [12, 14].
Learning Organization and Performance: According the last section, these parameters have synergic effects together. Empowerment affects on trust, communication and commitment improve dynamics of team working, team working increases trust between staff and communications improve interaction between staff and cooperation, empowerment increases flexibility in organizations [12, 14]. Table 1 shows interactions between these parameters with fifth disiplins.

Table 2 shows relationship between parameters of learning organization and performance.

Research Methodology: It was decided to adopt a case study approach for this paper. It has been based on the descriptive Research. This descriptive type research has been carried out using the questionnaire as the research tool for gathering the required data. Data gathering involved both reference material and a questionnaire survey. Sampling was simple random sampling and the data gathering instrument was the questionnaire.

In December 2008 a request for interviews and questionnaires was sent to a number of the managers and staff in the Sazeh Gostar Saipa Company. Prior to the interview and fill the questionnaire, the author explained the purpose of the research and made it clear that this information would be in the public domain, so any confidentiality concerns could be noted. To ensure internal validity the interview and questionnaire was transcribed and sent to and staffs in the Sazeh Gostar Saipa company for confirmation of accuracy and to check that no commercially sensitive information had been included.

Sample: In selecting respondents, diversity was paramount so that opinions from a number of employment situations could be gathered. Consequently, different occupational groups in different sections were targeted. The employers included four public sectors in the company. The size of the Sazeh Gostar Saipa Company ranged from a low of 400 employees to a high of 1000 with a mean size of 700 employees. Interviewees were in temporary or fixed-term employment contracts, representing independent contractors, short-term project employees hired by the organization and seasonal employees, also hired directly by the organization. Occupations included accountants, engineers, human resources specialists, information technology specialists (programmers, developers), quality assurance specialists, project managers, researchers, planners and resource conservation officers. In terms of gender, the contingent worker interviewees included 30 men and 10 women and ages ranged from people in their early 20s to those who were near retirement. The education of respondents included seven individuals with no postsecondary degree, eight with a college or technical diploma, 25 with an undergraduate degree and 12 possessing a graduate degree. Managers were chosen from amongst a group.
who were responsible for the hiring and/or supervision of the selected contingent knowledge workers in each organization and represented the departments of the occupations listed above. Overall, 4 of the managers were male, while 8 were female and their ages ranged from 36 to 58s.

**Data Collection:** Semi-structured, in-depth interviews were conducted with the contingent workers and their managers. Average length of interviews was 45 minutes in any month, with half conducted face-to-face and half via telephone. Questions for the knowledge workers primarily explored their perceptions of the contingent employment relationship and included the more typical organizational measurements of overall satisfaction with the employment arrangement, pay and hours of work. Secondly, due to various earlier discussions with contingent knowledge workers, research respondents were asked to rate how being in a contingent position affected their work/life balance, social distance (organizational socialization and integration) and knowledge sharing. Finally, because traditional empirical measurements of psychological contracts include notions of advancement, training and career development and more recent work has examined commitment, trust and work behavior, knowledge workers were asked to rate the effort of contingent work on their career goals, personal finances, promotion opportunities, training and development opportunities, autonomy on the job and organizational commitment. Overall, these measures were chosen so as to provide results relative to a number of different personal and job dimensions. A four-point forced choice scale was used for this aspect of the data collection.

**Table 3: descriptive statistics for P and LO**

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>mean</th>
<th>Std. Deviation</th>
<th>Minimum</th>
<th>Maximum</th>
<th>25th</th>
<th>50th (Median)</th>
<th>75th</th>
</tr>
</thead>
<tbody>
<tr>
<td>P</td>
<td>7</td>
<td>4.6157</td>
<td>.61919</td>
<td>3.84</td>
<td>5.80</td>
<td>4.1600</td>
<td>4.6400</td>
<td>4.8300</td>
</tr>
<tr>
<td>LO</td>
<td>7</td>
<td>4.3586</td>
<td>.50660</td>
<td>3.60</td>
<td>5.28</td>
<td>4.1300</td>
<td>4.3100</td>
<td>4.5800</td>
</tr>
</tbody>
</table>

**Table 4: variance analysis of P**

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups (Combined)</td>
<td>2.300</td>
<td>6</td>
<td>.385</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>Linear Term</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contrast</td>
<td>2.197</td>
<td>1</td>
<td>2.197</td>
<td>.</td>
<td></td>
</tr>
<tr>
<td>Deviation</td>
<td>.104</td>
<td>5</td>
<td>.021</td>
<td>.</td>
<td></td>
</tr>
<tr>
<td>Quadratic Term</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contrast</td>
<td>.012</td>
<td>1</td>
<td>.012</td>
<td>.</td>
<td></td>
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<tr>
<td>Deviation</td>
<td>.092</td>
<td>4</td>
<td>.023</td>
<td>.</td>
<td></td>
</tr>
<tr>
<td>Within Groups</td>
<td>.000</td>
<td>0</td>
<td></td>
<td>.</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2.300</td>
<td>6</td>
<td></td>
<td></td>
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</tbody>
</table>

**Table 5: correlation analysis between P and LO**

<table>
<thead>
<tr>
<th></th>
<th>P</th>
<th>LO</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Pearson</td>
<td>1</td>
<td>0.977&quot;</td>
<td></td>
</tr>
<tr>
<td>Correlation</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>7</td>
<td>7</td>
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**Data Analysis:** For the qualitative interview data, two researchers independently analyzed it to identify key issues and themes.

**Case Study:** Szazeh Gostar Saipa Co. was established as the first company for design engineering and supply of auto-parts in Iran in 1985. This Company as the motivated pioneer for supplying localized autoparts in the beginning had the task of producing autoparts for various cars. To day as a member of Saipa Group has started their effort to produce parts for Pride, Nissan and Xantia cars. More than 18 years of continual endeavors and efforts have resulted in the formation and creation of a network of capable, qualified and skillful local auto-parts manufacturers through which has provided a background for international trade and access to global markets. In this section, it describes all of answers with statistical analysis.

According to Table 5, there is strongly direct correlation between P and LO.
According to Table 6, there is significance relation between P and LO, Mont Carlo Simulation proves above results.

\[ P=1.192 \text{ LO} -0.55, \text{ formula 1} \]

Figure 2 is shown direct relation between P and LO.

Learning organization directly could be affected on performance in car manufacturing organizations. After extracting mathematical model, it defines dynamic model as bellows by vensim software.

Results are shown in figure 4 by vensim software.

DISCUSSION

The current study also highlights the importance of learning organization and its effects on performance. This performance allows a firm to compete effectively in a highly competitive industry sector. In this context, knowledge workers must be treated as a valuable resource. This also highlights the need to use the organizational learning as a source of competitive advantage. The combinational method was tested in Sazeh Gostar Saipa (which is active in the field of car manufacturing). Using Cronbach’s alpha (with a value is higher than 71%), the method’s reliability was calculated and confirmed both by science-based and by survey-based methods, with 83% of experts and 88% of managing directors and managers agreeing. 40 people were directly involved in this research in this company.
CONCLUSIONS

In this paper, several objectives have been defined. First, it is extracted effective parameters of P and L.O. Section, we have developed a model for mechanism of learning organization effects on performance in Iranian organizations. Third, we have gathered real data to validate model. The model presented in this paper is tested in Saheh Gostar Saipa company and the results are approved by them.

The Future Extension: One possible follow-up is the comparison of the proposed method with other models, such as FMISO (Fuzzy Multi Input Single Output) method.

REFERENCES


