



# An Empirical Study on the Factors Influence on Learning Organizations

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## KeyWords

Learning Organization, Innovation, Facilitation, Information sharing, Self-development, Empowerment, employee participation

## ABSTRACT

The present highly competitive and vigorous globalized milieu creates continuous challenge of survival and sustainability for all organizations. There is a need for all organizations to learn new things from the environment that will upsurge their competence and capability. This learning progresses an organization towards the concept of learning organization. Paying attention for the Sri Lankan context there is a gap remains in the empirical confirmation on the factors influence the learning organization to that of abroad. This research is carried out with the objective of identify the factors contribute to promote a learning culture in Sri Lankan organization.

The research employed a survey design in Ceylon Petroleum Corporation (CPC), deriving a sample of 185 respondents among the executive level employees comprising of 69 "A" grade employees and 116 "B" grade employees, who were selected by using a stratified sampling method. A response rate of 100 per cent was obtained for the analysis.

Descriptive statistics and regression analysis were performed to study the factors influence on learning organization. It was found five dimensions, namely innovation, Facilitation, information sharing self-development and empowerment have significant impacts on organizational learning culture in Sri Lanka. The results of the study may be helpful in determining an appropriate environment to stimulate better learning that enables long-term success and increases an organization's competitive advantage. The findings will also assist managers and government policy makers in fostering learning efforts which leads to superior performance.

## INTRODUCTION

In the dynamic world, organizations find themselves characterized by market globalization. Globalization form many changes in the business market like introduction of new technology, performance improvement, employee participation etc. These increasing changes and abundant complexity reinforce the need for flexibility and differentiation among organizations. In order to survive and obtain advantages in this environment, it is necessary for the companies to be able to innovate and gain new knowledge, which allows them to do things in a different way. Numerous authors consider learning and its application have become as the basic components and pillars of growth, survival, organizational development and sustainable competitive advantage [3], [4], [10]. In recent time, learning organizations and organizational learning are taking into consideration as organizational paradigms and have had considerable growth among industrial setting. Due to dynamic change in the surrounding environment, organizational learning has become an urgent need and not an option for many contemporary organizations of all types and sizes.

The promotion of a learning culture in an organization encompasses the unbroken education of its members. This process takes place by transforming individual memory, which is the accumulated knowledge of an individual, into organizational memory which takes the form of goals, hand books or standard procedures [2]. When successfully transformed it is crucial to make organizational knowledge reachable to promote organizational learning [2]. This knowledge needs to be transmissible, easily distributable and comprehensive so that all members consider it valid and useful. Completely assimilated knowledge symbolizes a coherent, accessible and maintained organizational memory, a vital aspect in a healthy organizational learning process [1]

It is believed that introducing a learning culture in Sri Lanka oil industry is quite interesting and important in present scenario. Because Sri Lanka's policy towards the petroleum industry has undergone significant changes over the years from the total government control over the industry in early 1960s to the liberalization moves since the 1990s. The industrial structure also changed from a monopoly to many players at-least in several subsectors of the industry. Since the 1990s competitive element brought into the industry and many players have entered into various subsectors of the industry. In this process, Ceylon Petroleum Corporation's (CPC) monopoly of petroleum importation and distribution come to an end with the creation of a duopoly market with Lanka Indian Oil Company (LIOC) in 2003. In order to gain sustainable competitive advantage in the dynamic business environment CPC is expected to adopt learning culture.

In addition the oil industry has relations with the global market and has many impacts. The oil industry very much depends on foreign technology, capital and even on expert personnel. So there is more tendency of occurring changes within the organization and it has to adapt the changing environmental conditions. The organization needs to be flexible and the employees need to be supportive. At such a situation there should be a learning organization culture within itself to achieve more benefits and to remain competitive. An empirical analysis among 94 employees of the petroleum industry in Pakistan shows that the dimensions of the learning organization contribute significantly towards the achievement of competitive advantage [9]. So this research is going to be based on the Ceylon Petroleum Corporation (CPC) in Sri Lanka. It is very clear that by creating a learning organization culture within an organization directly support for the organizational development. But becoming a learning organization is not an easy task, for that it is indispensable to identify the factors especially in petroleum sector.

Hitherto number of researches has been conducted related to 'Learning Organization' concept in abroad and in Sri Lanka as well. Those researchers revealed many factors which contribute for learning organizations. [10] stated that the routine activities of the firm, involvement of all levels of the organization, training or the employees and their commitment will be helpful in creating a learning culture [10] included the factors like flexible organization culture, committed employees and opportunities for employees for risk taking.[6] mentioned that there should be a support of top management, supportive information Technology, encourage for cultural change within the organization so as to build a learning organization

When paying attention for the Sri Lankan context the number of researches conducted on this topic is relatively low to that of abroad. Also some of the factors mentioned above are not reached by the Sri Lankan researchers [5]. On 'Learning organization dimension on Sri Lankan Army' mainly focus on organization structure and leadership behavior

In addition a research conducted by Weerakkody [11] revealed that team building, training and development, leadership behavior are the building blocks of a learning organization. So still there are gap in facilitating factors in oil industry for which special attention has to be paid. Through this study researcher intends to identify those factors.

## METHODOLOGY

The main aim of this study is to measure the factors affecting the organizational learning in Sri Lanka context. The modified version of Dimensions of Learning Organization Questionnaire (DLOQ) developed by Marsick and Watkins (2003) was adopted to measure the learning culture of CPC. The instrument consists of five dimensions such as innovation, Facilitation, information sharing, self-development and empowerment. They are measured by 37 items on four (04) point scale ranged as (1 – Strongly disagree to 4 – Strongly Agree).

The target population of the study was made up of 355 executive employees, which comprise 133 Grade – A employees and 222 Grade – B employees. Data were collected using stratified sampling technique from Grade A and Grade B executive employees. 185 questionnaires are distributed and the response rate is 100%. Each respondent was asked to respond against 6 demographic items in part I and 37 items on four point likert scale on part II, which measures the learning organization.

With the aim of testing the following hypothesis, an empirical study was carried out on CPC.

Ha0: Self-development does not have impact on organization learning

Hb0: Facilitation does not have impact on organization learning

Hc0: Empowerment does not have impact on organization learning

Hd0: Innovation does not have impact on organization learning

He0: Information sharing does not have impact on organization learning

## RESULTS AND DISCUSSION

Data collected from CPC has been analysed, to meet the objective of this study descriptive statistics applied in which mean and standard deviation of the data has been calculated. Moreover, regression analysis was used to draw the inference about the variables predicted based on five dimensions. All these methods are analysed by using the SPSS 17.0

Table 1: Descriptive Statistics

	Mean	SD
LO	3.0081	.50735
Innovation	2.3000	.39079
Information sharing	2.5800	.15137
Self-Development	2.7883	.32193
Empowerment	2.3853	.18394
Facilitation	3.0162	.45846

According to the above mean values it can be identified the existence of each variable within the organization. The variables Innovation, Information sharing, self-development and empowerment are moderately available within the organization according to their mean values they belongs to the range of  $2 < X < 3$ . Among all the variables the Facilitation variable is highly existed within the organization as it mean belongs to the range of  $3 \leq X \leq 4$ . It shows that CPC gives freedom to try things and accept the mistakes and failure without punishment

For data analysis and find the relationship between variables regression has been performed. Results of regression analysis are given below:

Table 2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.844	0.712	0.704	0.275

Predictors: (Constant), Self Development, Facilitation, Empowerment, Innovation, Information sharing.

Value of R (0.844) shows the strong relationship between dependent and independent variables. Furthermore, the value of adjusted R Square (0.704) in the above table represent that the model used in this study explains 70.4% variation in dependent variable cause by independent variables.

Table 3: ANOVA

Model		Sum of Squares	df	Mean Square	Sig
1	Regression	33,744	5	6.749	0.000*
	Residual	13.618	17	0.076	
	Total	47.363	9		
			18		
			4		

Predictors: (Constant), Self Development, Facilitation, Empowerment, Innovation, Information sharing.

Model is significant when p-value < 0.05 and in this case p-value (0.000) is less than "α" value of 0.05, so it means that the model used for this study is significant.

Table 4: Coefficients

Model		Unstandardized coefficients		Sig
		B	Std.Err	
1	Constant	4.670	0.656	0.000*
	Self-Development	0.426	0.101	0.000*
	Facilitation	-0.477	0.054	0.000*
	Empowerment	-0.849	0.115	0.000*
	Innovation	0.333	0.071	0.000*
	Information sharing	0.535	0.198	0.008*

\* Significant at 0.05 confidence level

The above coefficient table shows that the relationship between learning organization and independent variables. The coefficient are positive on self-development, innovation and information sharing, which means that, with increment of 1 unit in self-development, innovation and information sharing variable the dependent variable will also increase by 0.426, 0.333 and 0.535 times units respectively. Facilitation and empowerment coefficients are negative, which shows that with increment of 1 unit on Facilitation, empowerment and innovation variable the dependent variable will start to decline by 0.477 and 0.849 respectively.

On the coefficient result, the p-value of the independent variables self-development, Facilitation, empowerment, innovation and information sharing are less than the value of 0.05 confidence intervals, which indicates that it is not putting a significant impact on organization learning. Hence the following null hypotheses were rejected,

Ha0: Self-development does not have impact on organization learning

Hb0: Facilitation do not have impact on organization learning

Hc0: Empowerment do not have impact on organization learning

Hd0: Innovation do not have impact on organization learning

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## Conclusion

Learning is an intrinsic attribute of individuals, is present in any organization due to its human system, so it is an inevitable element of organizational life. An empirical study conducted among the executive employees of Ceylon Petroleum Corporation contributes in research literature regarding extent to which learning factors affecting the organizational learning. The concluding results suggested that three factors of learning have positive impacts where as two variables have negative impact on learning.

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