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Organizational learning and organizational commitment: A correlational study in manufacturing context

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This paper aims to investigate the impact of organizational learning (OL) on organizational commitment (OC). Learning is the key element needed by all organizations that wants to develop and sustain competitive advantage in the new knowledge economy. This paper focuses on the relationships between organizational learning and organizational commitment, a little researched area, specifically, in Pakistani perspective. Data were collected from one hundred and seventy seven randomly selected employees from three manufacturing organizations. Structural Equation Modeling (SEM) was used to test the hypotheses. Findings revealed that organizational commitment is positively predicted by organizational learning. Results suggest that to keep pace with the changing environment, organizations need to remain flexible and improve their employees’ commitment via OL in gaining and sustaining competitive advantage to ensure growth and profitability in long-run. Further, data does not support the positive role of leadership in defining organizational learning in Pakistani context.

Key words: Organizational learning, organizational commitment, Pakistan, Structural Equation Modeling (SEM).

INTRODUCTION

If we imagine about the learning organization, we find a structured organization in such a way that its member, either an employer or employee, obligates the ability to learn and continue to learn within the organization. There are a number of definitions regarding learning organizations such as “an organization that facilitates the learning of all its members and continuously transmutes itself” (Pedler, 1997). Almost twenty years ago, the notion of learning organization by Senge (1991) was presented in his book titled, “The Fifth Discipline: The Art and Practice of the Learning Organization”, and it served as a stencil for all and sundry. A learning organization always tries to uphold and maintain their level of innovation, they know how to cope with complex dilemmas faced by management, and they have to complete their resource of knowledge that is, their members. The organization basically was composed of body through systematic thinking. Learning experiences provides the catalyst that fastens; enhance the intellectual resource to create and sustaining competitive edge (Davis, 2011). The challenge of deploying the learning attitudes among employees is an important technique of any organization to create organizational commitment. With the amplification of technologies it becomes more crucial as the marketplace is increasingly competitive and the rate of innovation is rising, such that knowledge must evolve at an ever faster rate. We are living in the age of technology and development. And in this agile uncertain environment, learning organization and knowledge management go side by side to sustain the organizational commitment in the market and for further progress. Zajda (2010) discussed about crucial challenge that has to be faced by the organizations in the dilemma of maintaining the capabilities and competencies in both directions efficiency and flexibility. Organizational loyalty which is an idea connected to
to psychosomatic fusion and empathy of an employee with the organization is the dynamic influence behind organizational commitment. Organizational commitment is the most important dynamic aspect that is precarious in attaining organization’s purposes (Dick and Metcalfe, 2001). It creates personnel problem-solving persons instead of problem-making (Savery and Syrse, 1996).

Organizational loyalty upsurges the importance and concern of personnel to associate with organization. Knowledge and information oriented organizations of current rapid environment need learning whereas the dealings converted into formality need to stretch significance to organizational loyalty (Akman and Mishra, 2010). Studies designated that the workers having great commitment struggle more towards the fulfillment of what is anticipated from them and in addition to this, they attained organizational purposes and jump towards the learning. Paavola and Hakkarainen (2005) explored in their study that the adaptive learning networks served as a contemporary means through which all new resources of management knowledge can rapidly develop through social learning forums and practicing of knowledge management systems. The skills and communication processes with employees expand the group’s ability to distinguish and act on changing in an organizational culture conditions. Especially in turbulent environments, for any lean and agile network system commitment might be serious for successful or nourishing the performance of the firm status and to main competitive advantage. The organizations that have consistently shown high performance of organizations managed to endure a comparatively high level of learning. Likewise, organizational commitment is certainty that permits dissemination of specific learning into the organization (Levitt and March, 1988). In a research that was done on employee turnover as a result of organizational commitment, it was observed that the organizations with excessive employee turnover make sluggish learning (Carley, 1992; Wasti, 2003). Consequently, the organizational commitment is possessed as a source to diminution absence and turnover of employees and it also foils disruption for incessant learning. The purpose of this present research is to analyze the relationship among organizational learning and organizational commitment. It has been anticipated that several measures of organizational learning would be piercing differences in the levels of commitment of the members of the Pakistani organizations studied here.

Organizational learning

Learning is the key competency required by all organization that wants to survive and be sustained in the new knowledge economy. Market leaders keep asking learning questions, keep learning how to do things better, and keep spreading and getting that knowledge throughout their organization. It accentuates the consequences of meaningful, authentic activities that help the organization to construct understandings and develop skills relevant to solving problems. Different researches from many years exposed three comprehensive dimensions that are vital for organizational learning and flexibility, these are: supportive learning environment, concrete learning processes and practices and leadership behavior responsible for learning reinforcement (Garvin et al., 2008).

Supportive learning environment

The Supportive learning environment is the major source of organizational learning since it creates the psychological safety among employees (Garvin et al., 2008) and is highly influenced within the organization so that the members of the organization can easily share what is going on in their minds regarding the different procedures and policies in the organization. The people within the organization are enthusiastic to share information with one another which show the basics of knowledge management systems surrounded by the organization that can pilot it towards the path of achievements. The learning environment provides people of the organization with different opinions the opportunity of having knowledge about the best utility of resources in order to attain the maximum yield of learning. They exercise diverse alternative ways of working and fulfilling of tasks is carried out without any vacillation in the organizational environment. It give chances for the openness to new ideas these are appreciated and practiced for the rationale decision making processes and for the best use of information. In learning networks people agree to hear the new ideas for the best implementation fond of this activity. Social and constructivist learning philosophies observed learning as a positive, customary as well as activity. Social and constructivist learning philosophies observed learning as a positive, customary as well as cooperative development. Such philosophies congregate the idea that learning organizations progress concern of working on reliable chores in realistic settings. Chore efficiency preferably happens in teamwork within organization and has a duty to be regulated by the learning organizations (van Joolingen et al., 2005).

Concrete learning processes and practices

As Efficacious organization is a fruit of struggle and determination of eternities similarly a learning organization. It ascends after a sequence of compacted phases besides extensively disseminated accomplishments, not different the mechanisms of business procedures and processes. Learning developments comprise the working brackets, assortment of work, construal of collaboration, and distribution of information. It contains trialing to cultivate and examination of novel products and services, intellect assembling to retain trajectory of competitive
advantage, consumer satisfaction, and scientific tendencies of learning as well as controlled exploration and elucidation to classify and resolve the difficulties also the edification to improve the new and time-honored personnel.

Leadership; that reinforces learning

Organizational learning stays sturdily affected by means of the activities of their managers and leaders. Once cream of the crop which in fact is leader vigorously interrogate and attend to employees it significantly promote the learning trends. Discussion on disputes give chance to the people in the organization feel encouraged towards learning. Influential privileged increase the consciousness of their communities around what are important for learning that upsurge apprehensions for accomplishment of goals, self-actualization and morals of organizations (Bass, 2000). They transfer followers to go beyond their own self-interests for the good of their group, organization or community, country or society as a whole. No doubt leaders signaled the importance of issue regarding the learning. Leadership Transitions provides detailed guidance and specific action plans to employees for the adoption of learning. It quickly makes a positive impact in their new positions and also creates knowledge management which is characteristic of superlative learning. When leaders are consuming their time on problematic areas and their identification, information transference and analysis of reflective supportive reviews, such actions are prospective to flourish learning. Once individuals have authority to prove through their identifiable performance and enthusiasm will come to interest in unconventional opinions, personnel feelings encouraged to deal with new ideas and options.

Organizational commitment

Numerous aspects effect employee commitment these comprise commitment to the executive, job, occupation, or profession (Meyer and Allen, 1997). Organizational philosophers seem to approve that organizational commitment is multi-dimensional factor affecting organizational effectiveness (Campbell, 197) and there is similar motive to consider that the factors of organizational effectiveness vary around organizational learning (Steers, 1977). Diverse understandings of job involvement require change though learning the relationship of job commitment to various variables, including job characteristics, performance, turnover, and absenteeism (Blau and Boal, 1987). Modest necessities of developmental stage organizations must be promote globalization, more Businesses concerned, more stretchy, lean and agile, more concerned with learning and more sticky on teamwork. Such difficulties have to deal with a trend to develop learning organization involving people who syndicate their expressive thinking, knowledgeable and corporeal energies for the achievement of the organization then have great commitment (Mouritsen et al., 2001). Organizations must need to plan additional intimate sociable strategies and deliver opportunities for career improvement (Bashir and Ramay, 2008) that encourage organizational commitment. Organizational commitment is a psychosomatic awareness that symbolizes the worker's associations with the organization and effect the valuation to endure relationship with organization (Meyer et al., 2002). Allen and Meyer (1990) proposed that commitment is comprehended by means of a destructive sign of turnover. Affective commitment is basically worker’s emotive affection and his/her identification and involvement with the organization (Bashir and Ramay, 2008). Workers with robust emotional commitment stay with the organization (Brown, 2003).

Theoretical framework

Working, learning, and learning environment are closely related forms of human commotion that are conventionally assumed to link with each other. Learning in a supportive environment and is usually viewed as having impact on traditional organization of success. To realize organizational performance, organizations have to be supportive with their environments to continue economic, competitive and inventive edge (Barnard, 1968; Lawrence and Dyer, 1983). Therefore, a significant evidence of strategic management is an association among the organization and its environment which upholds effectiveness and also the existence of the organization over the long run (Hambrick, 1983; Summer, 1980).

H1a: The supportive learning environment have positive link with organizational learning. The importance of organizational learning was developed intensely in contemporary years (Crosan et al., 1999). Learning organizations are structures, procedures and processes that are frequently used to improve employees' competences and capabilities and those who make effort with it to accomplish sustainable aims for themselves and the organization in which they participate (Levitt and March, 1988). So it is also an important issue of how the process of learning should work in order to give organization its competitiveness in such an uncertain world of competition.

H1b: The concrete learning processes and practices have positive link with organizational learning.

Learning becomes reinforced with good leadership qualities because leadership abilities are connected to the facilitative learning, group reflexivity, and organization performance (Hirst et al., 2004). Effective leadership can show an extremely important role in successful learning (Leithwood et al., 2004). So this indication supports the
current extensive importance in successful leadership as a key to the positive application of great development.  

$H_{1c}$: The leadership that reinforced learning have positive link with organizational learning.

The organizational learning is deeply associated with organizational commitment (Campbell, 1974). Individual characteristics, job features, and work involvements all influenced with learning and reticent as originator of organizational commitment. Person’s performance and developed ranks of job involvement and organizational commitment ever revealed less unexcused sluggishness of learning (Blau, 1986). Moreover, the normative and continuation of commitment increases the organization’s learning values. So, organizational learning is an originator of organizational commitment.

$H_{2}$: Organizational learning have positive link with Organizational commitment.

Figure 1 explains the hypothesized conceptual model for the research variables.

**METHODOLOGY**

A model of organizational learning and organizational commitment was established for the present research. In explorations of research it is essentially dynamic to hypothesize the understandings. On the basis of extensive literature, numerous corporate dimensions (variables) come forth which are partaking in conventional influence on organizational learning as well as organizational commitment. Among several dimensions, three basic factors were taken as the determinants of organizational learning as discussed by Garvin et al. (2008) and for the sake of organizational commitment, the five basic corporate questions (Angle and Perry, 1981) were followed.

To achieve the research objectives, the procedural application of likert scale was used to determine qualitative analysis in terms of quantitative data. Respondents were obtained from the human resource operations and finance and some departments of FMCG organization. Representatives from management were chosen based on the criteria that these should have first-hand knowledge or experience of organization management strategies of the company directed towards the development of organisational commitment as well as learning. Data were composed of one hundred and seventy-seven employees from 3 manufacturing organizations in Pakistan. In which 127 (71.8%) were male respondent and 50 (28.2%) were female respondents. There were 139 (68.5%) education level of masters and above and 38 (21.5%) were graduates respondents. There were 47 (26.6%) employees had experience less than five years, 77 (43.5%) had experience of five to ten years although 53 (29.9%) employees had experience more than ten years.

**DATA ANALYSIS AND RESULTS**

For the analysis of the hypotheses, path analysis in Structural Equation Modeling (SEM) through AMOS is used. SEM is an influential and malleable methodical technique that shows critically significant part in many empirical applications in social science research. It is dispersal free and compares positively to structural equation modeling since its strengths in conjecturing about the theoretical model (Flora and Curran, 2004). Confirmatory factor analysis (CFA) is used which proposes the validity with reflective indicators of key construct. The consequences of confirmatory factor analysis are as good when greater than 0.30 (Bernard, 1998). So the questions whose factor loadings or regression weights are less than 0.30 are rejected and not included in the analysis. For example questions like, “keeping your cards close to your vest is the best way to get ahead in this organization” Or “In this organization, schedule pressure gets in the way of doing a good job” are dropped in analysis because of less regression weights. Cronbach’s alphas were calculated for each of the measurement at 0.76 which was considered as good (Churchill, 1979). The model fit with the data as by suggested criteria goodness-of-fit index (GFI) was 0.90, (NFI) normed fit index was 0.90 (Venkatesh et al., 2001) and the model's comparative fit index (CFI) = 0.932, and goodness of fit index (GFI) = 0.934 showed the fitness of model.
Effect of supportive learning environment on organizational learning

In Figure 2, $H_{1a}$ is explaining that the supportive learning environment have positive link with organizational learning. Results showed that the path coefficient of building block 1 is $0.25 \leq 0.005$, which unfolds the effective evidence of supportive learning environment in organizational learning. The consequences of regression coefficient described that almost $6\%$ organizational learning is depending upon supportive learning environment which at last enhances the organizational commitment.

Effect of concrete learning processes and practices on organizational learning

$H_{1b}$ is explaining that the concrete learning processes and practices have positive link with organizational learning. Results showed that the path coefficient of building block 2 is $0.70 \leq 0.001$, which described that by the implementation of concrete learning processes and practices, the organizational learning is effectively enhanced. The existing learning processes and practices increase organizational learning up to almost $49\%$.

Effect of leadership on organizational learning

$H_{1c}$ is used to describe the leadership that reinforces learning and it has a positive link with organizational learning. Whereas the results showed the path coefficient of building block 3 is $0.00$ (n.s) which is non-significant at $0.05$ and expounding that the leadership that reinforces learning has not that much positive effect on organizational learning. In fact the relationship was in a slightly negative direction. The effect of leadership did not exhibit any influence on organizational learning as the regression coefficient is about $1\%$.

Effect of organizational learning on organizational commitment

In Figure 2, $H_2$ describing organizational learning have positive link with organizational commitment and the results showed path coefficient $0.96 \leq 0.001$, which describe organizational learning enhancing organizational commitment positively and effectively. Organizational commitment enhances up to $92.7\%$ owing to organizational learning.

DISCUSSION

This paper presents empirical research analyzing the relationship between the organizational learning and organizational commitment. Global competition and emphasis on the knowledge of learning has forced organizations to tamper with how they produce and deliver their services. To keep pace with these changing environment organizations, there is the need to remain flexible and continually improve employee's commitment to gain competitive advantage. An organization faced with turbulent environment must continually be innovative so as to remain competitive in terms of learning. Incremental innovations must give way to radical learning (Malerba, 1992) as organizations are no longer able to
respond to the environmental changes using the same structures, mindsets or knowledge, strategies, leadership and technologies that had worked for organizations in the past. To obtain and sustain a competitive advantage organization must develop new skills to face the uncertainties of the new environment. A learning organization vary from a conventional organization because it enables it to create new knowledge during the decision making process. Organizational environment have impact on employees and their commitment (Little and Dean, 2006).

Most devotion specified to the model of organizational commitment consequences from its association with turnover (Cohen, 1993) necessarily increased because of less commitment. Members in a learning organization, especially leaders, comprehend that we all maneuver in accordance with our underlying assumptions and schemas for the way the world works. Secondly, in a learning organization, everyone realizes that knowledge is created because of leaders and its secondary focus is on the reflection and investigation for enhancement of learning organization. Certain experiments showed that the shared intellect notion and optimistic work involvements have the sturdiest effect on commitment between those who value their job involvements most (Meyer et al., 1998).

Therefore organizations necessitate to extend their learning capability and competencies to be able to learn better and faster from their successes and failures, from within and from outside such that will increase the organizational commitment (Zollo and Winter, 2002). Only if they increased their capacity to learn would they be able to survive and adapt to the changing environment and to make it supportive for learning. They would need to incessantly renovate themselves into an organization where everyone, groups and individuals, would quantum increase their adaptive and productive capabilities. This requires that the rate of learning must be equal to or greater than the rate of change in the environment (March, 1991). This has led to the development of new varieties of organizations called the ‘Learning Organizations.’ Learning organizations are systems that are continually transforming themselves to better accomplishment of knowledge, utilize technology, empower people, and expand learning to better adaptation and succeed in the changing environment. Lean towards commitment is the enthusiasm to continue in an organization because of the security that the employee has with other non-exchangeable reserves (Porter et al., 1974).

Organizational commitment is theorized and distinguished in numerous ways (Obeng and Ugboro, 2003). The key word of work processes is the only one that appears in both domains learning organization and organizational commitment. To inspire your workers and to increase organizational commitment into higher levels of teamwork, organizational learning is an important thing to achieve. These do not come naturally, but are acquired through continual work and practice. Executives and managers must have to pay attention on edifices and procedures which inspire contribution and organized authority so that personnel retain participation in their organizations (Brewer, 1998). Commitment imitates adherent's complementation for the organization having a condition that satisfies their significant requirements (Angle and Perry, 1983). Managers also have to pay attention to each and every characteristic of the organization because organizational characteristics have an important optimistic association with organizational commitment (Colbert and Kwon, 2000). Commitment with organization increases job satisfaction and in cases where there are no job satisfaction, many hurdles like uncommitted behavior (Jamal, 1990) which is strongly related to job anxiety, vagueness, clashes, resource insufficiency, and psychological fitness complications are produced in an approach to achieve success. By O'Reilly and Chatman (1986) work setting, job satisfaction and organizational commitment all are related to turnover and absenteeism problems. Organizational commitment is frequently distinct as employees recognizes the organization's objectives and standards, inclination to use substantial determination on the organization's behalf and wish to keep their involvement with the organization (Mowday et al., 1982). Organizational commitment brings motivational and administrative development that yields fewer objectives (Griffeth et al., 2000).

LIMITATIONS AND FUTURE RECOMMENDATIONS

The study is not without limitations. Further research can address the issue of generalizability in the academia as well as, managerial implications of the results. Firstly, organizational culture is the backbone of various ideas, policies, and conditions of organizations. It has an expressive impact on every level of development when it comes to any type of classified organization. In Pakistan, it is especially unaddressed and is applicable to businesses, companies, public organizations, administrations, and even sports team organizations and can be associated with model as it is necessity to upsurge the commitment of workforce. Secondly, the organizational commitment has not measured a broader level by keeping in view different aspects and functions of human resource like staffing, planning, leading and controlling in any organization. Thirdly, organizational learning should be studied industry wise and its importance and role in commitment of employees can be assessed as well as, it can be applicable in context of public and private sector. Also, organizational learning can be explored with the association of different occupational groups focusing on organizational commitment for non-professional and professional employees. Finally, data is limited to a smaller sample size and of cross functional nature, therefore, generalizability of the implications can be questionable. Future studies may focus on larger sample
size as well as, longitudinal nature and focused group method could be used to get responses so that data could be collected only from those respondents having the knowledge of organizational commitments and its antecedents.

REFERENCES


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