Organisational Learning and Performance in Nepalese Services Sector

A Thesis

Submitted by:

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Submitted to:

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For the Degree of

Doctor of Philosophy (Ph.D) in Management

Kathmandu, Nepal

April, 2012

DECLARATION

I hereby declare that the present study entitled: **"Organisational Learning and Performance in Nepalese Services Sector"** is based on my original research work. The results presented in the study have not been submitted elsewhere for the award of any degree.

……

Anjan Shakya
Kathmandu, Nepal
April, 2012

Recommendation of the Supervisor

I certify that the thesis submitted by Ms. Anjan Shakya entitled: **"Organisational Learning and Performance in Nepalese Services Sector"** has been prepared as approved by this program in the prescribed format of the Faculty of Management, Tribhuvan University, which was completed under my supervision and guidance. This thesis is the candidate's original research work. I am fully satisfied with the language and the substance of her thesis submitted to the Faculty of Management.

To the best of my knowledge, the candidate has also fulfilled all the other requirements of the Doctor of Philosophy (Ph.D), Faculty of Management, Tribhuvan University.

I, therefore, recommend that this thesis be considered and approved for the award of the Ph.D degree.

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VIVA-VOCE SHEET

We have conducted the viva-voce examination of the thesis
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"Organisational Learning and Performance in Nepalese Services Sector"

are found the thesis to be the original work of the student and written according to the prescribed format. We recommend the thesis to be accepted as the fulfillment of the requirements for the degree of Doctor of Philosophy (Ph.D) in Management.

Viva-Voce Committee

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Internal Expert: ……..……..

ACKNOWLEDGEMENTS

The research is based upon my exhaustive experience of over two decades in management and study of related materials and discussions. I have also drawn information from related research works, reports and publications from concerned field. It may not be possible to acknowledge the source of all the concepts that have been used. I have made every endeavor to credit materials and ideas of the books, reports and publications mentioning the reference at the end of this research. I offer apologies to the authors of any work if I have failed to mention.

First of all, I express my deep sense of gratitude and indebtedness to my supervisor Prof. Dr. Pushkar Bajracharya, Faculty of Management, Tribhuvan University for his supervision and guidance at every stage of my study. Amidst his busy schedule, he gave his time to supervise me and has been a great source of inspiration and moral support. Again, I owe special thanks to my supervisor for his invaluable advice.

I would like to thank all the members of the Faculty of Management for the assistance extended during my study.

I am thankful to all the organisations and supporting staffs whom I contacted during the period of survey for extending their kind hospitality and support.

I express my sincere gratitude to my father, mother, all the family members and well wishers for their unceasing inspiration, understanding, persistent encouragement and support which enabled me to complete this work. I would like to convey my sincere thanks to my husband Ajaya Kranti Shakya for his consistent moral support and his untiring effort of managing manuscripts.

Anjan Shakya
Kathmandu, Nepal
April, 2012

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1. Background or Problem

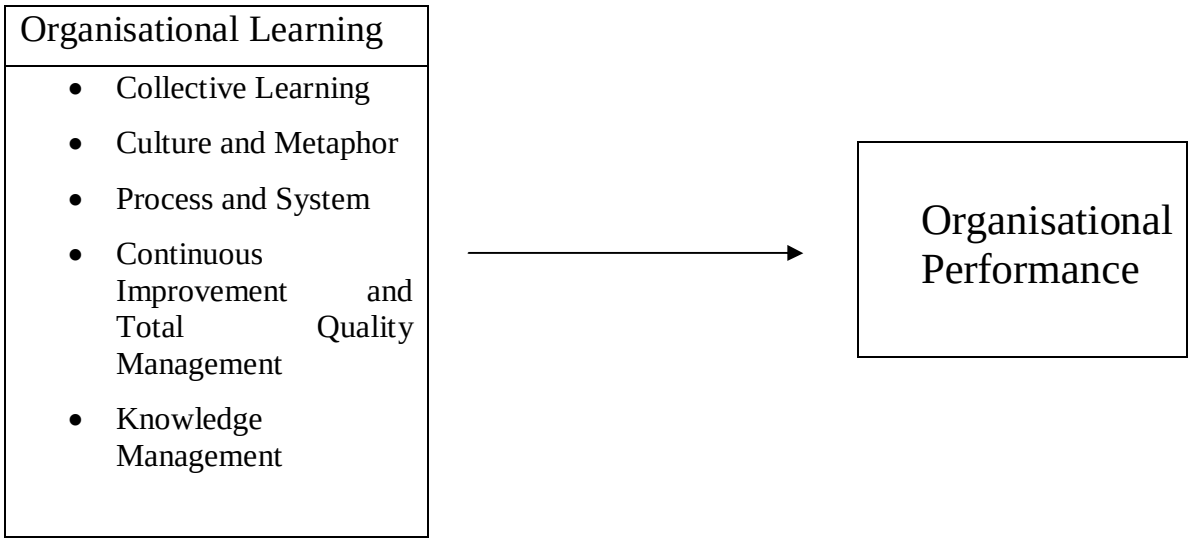
A learning organisation evolves as a result of the learning and behaviour of its people (Honey and Mumford, 1992; Burgoyne and Pedler, 1994; Senge, 1990; Marquardt and Reynolds, 1994). The ability of a workforce in an organisation to learn faster than those in other organisations constitutes the only sustainable competitive advantage at the disposal of a learning organisation (De Geus, 1998). Organisational learning should be where the individuals consciously interact with others through the process of education and as a result of experience (Kolb, 1984; Honey and Mumford, 1992). The components of organisational learning (OL) are collective learning (CL), culture and metaphor (CM), process and system (PS), continuous improvement and total quality management (CITQM) and knowledge management (KM) as predicted by Senge (1990, 1992 and 1993), Catherine L. Wang and Pervaiz K. Ahmed (2003), Carroll M. Graham and Fredrick Muyia Nafukho (2007) and Mark G. Edward and Paul Harris (2009). According to them, organisational learning and its components engages to the different level of action from individual to group level and to the organisational level for interactions and discussions to enhance the organisational learning. It is also recognised that organisational performance (OP) is affected by organisational learning as deduced by Dess and Robbinson (1984), Stewart and Sveiby (1997), Ehin and Sullivan (2000), Tippins an Sohi (2003), Ronald Zallocco, Ellen Bolman Pullins and Michael L. Mallin (2010) and Richard Dealtry (2009) etc.

The global competition and rapid market developments preoccupy top management. To be successful, top management requires in-depth and quality knowledge and information of the company's people and the corporate culture which binds them together as they work unchecked hunches and shallow, filtered information. The importance of people, management of knowledge, intellectual capital are the prime sources of an organisation and needs an increasingly sophisticated awareness of stakeholders and their needs (Greenley and Foxhall, 1996; Hamilton and Clarke, 1996; McDermott and Chan, 1996; Mitchell et al., and Malone 1997, Ulrich and Teece 1998). The focus of previous studies has centred on the perspectives of the collective process of cognitive change for the whole organisation (Huber, 1991) and the spread of learning to different levels of organisational members (Nonaka and Takeuchi, 1995; Crossan and Bontis, 1998). In Nepal, there is still limited empirical research on organisational learning. The Shakya (2007), Devkota (2008) and Parajuli (2008) have considered organisational learning with HRD and other aspects mainly in financial institutions only. So, there is a need to research on this issue in international arena as well as in Nepal. Hence the present study is concerned with the individuals as well as collectivities. The study was focused not only for the individual capacity but to group level and to the organisational level which can be considered as a paradigm shift. The present study is basically directed towards examining these research issues. Further, a comparative study of the Financial and the Tourism services sector is expected to understand the best practices so that more efficient and plausible strategies could be adopted.

It is conceptualised that collective learning, culture and metaphor, process and system, continuous improvement and total quality management and knowledge management forms in totality the organisational learning as envisaged by Senge (1990,

1992 and 1993) and Catherine L. Wang and Pervaiz K. Ahmed (2003). Additionally, it is also conceptualised that organisational learning affects organisational performance.

Fig. No. 1.1 Relationship between Organisational Learning and Performance



2. Objectives of the Study

This study basically aims at identifying the status of OL practices and comparing the status in Financial and Tourism sub sector in the service sector of Nepal. The specific objectives of this study are:

1. To examine the environment for organisational learning in Nepalese services sector.
2. To assess the status of organisational learning in Nepalese services sector and compare between the two selected services sectors.
3. To examine the relationship between organisational learning and organisational performance.
4. To evaluate the existing deficiencies and challenges for promoting organisational learning in Nepalese services sectors.

3. Hypotheses

The following null hypothesis is proposed to be tested in this study:

Null Hypothesis H_0: There is no significant difference between organisational learning defined in terms of collective learning, culture and metaphor, process and system, continuous improvement and total quality management, knowledge management and organisational performance defined in terms of profit earning, sales, income, continuous growth, market share improving, performance, competition, satisfaction, good image, productivity encouragement in the Nepalese services sector.

Based on this hypothesis, altogether the following twenty one hypotheses have been developed for testing in respect to the combined sector, the financial and the tourism sector respectively.

Hypothesis 1.

Null Hypothesis H_0: There is no significant difference between collective learning and organisational performance.

Alternative Hypothesis H_1: There is a significant difference between collective learning and organisational performance.

Hypothesis 2.

Null Hypothesis H_0: There is no significant difference between culture and metaphor and organisational performance.

Alternative Hypothesis H_1: There is a significant difference between culture and metaphor and organisational performance.

Hypothesis 3.

Null Hypothesis H_0: There is no significant difference between process and system and organisational performance.

Alternative Hypothesis H_1: There is a significant difference between process and system and organisational performance.

Hypothesis 4.

Null Hypothesis H_0: There is no significant difference between continuous improvement and total quality management and organisational performance.

Alternative Hypothesis H_1: There is a significant difference between continuous improvement and total quality management and organisational performance.

Hypothesis 5.

Null Hypothesis H_0: There is no significant difference between knowledge management and organisational performance.

Alternative Hypothesis H_1: There is a significant difference between knowledge management and organisational performance.

Hypothesis 6.

Null Hypothesis H_0: There is no significant difference between independent variables and organisational performance.

Alternative Hypothesis H_1: There is a significant difference between independent variables and organisational performance.

Hypothesis 7.

Null Hypothesis H_0: There is no significant difference between organisational learning and organisational performance.

Alternative Hypothesis H_1: There is a significant difference between organisational learning and organisational performance.

Hypothesis 8.

Null Hypothesis H_0: There is no significant difference between collective learning and organisational performance in the financial sector.

Alternative Hypothesis H_1: There is a significant difference between collective learning and organisational performance in the financial sector.

Hypothesis 9.

Null Hypothesis H_0: There is no significant difference between culture and metaphor and organisational performance in the financial sector.

Alternative Hypothesis H_1: There is a significant difference between culture and metaphor and organisational performance in the financial sector.

Hypothesis 10.

Null Hypothesis H_0: There is no significant difference between process and system and organisational performance in the financial sector.

Alternative Hypothesis H_1: There is a significant difference between process and system and organisational performance in the financial sector.

Hypothesis 11.

Null Hypothesis H_0: There is no significant difference between continuous improvement and total quality management and organisational performance in the financial sector.

Alternative Hypothesis H_1: There is a significant difference between continuous improvement and total quality management and organisational performance in the financial sector.

Hypothesis 12.

Null Hypothesis H_0: There is no significant difference between knowledge management and organisational performance in the financial sector.

Alternative Hypothesis H_1: There is a significant difference between knowledge management and organisational performance in the financial sector.

Hypothesis 13.

Null Hypothesis H_0: There is no significant difference between independent variables and organisational performance in the financial sector.

Alternative Hypothesis H_1: There is a significant difference between independent variables and organisational performance in the financial sector.

Hypothesis 14.

Null Hypothesis H_0: There is no significant difference between organisational learning and organisational performance in the financial sector.

Alternative Hypothesis H_1: There is a significant difference between organisational learning and organisational performance in the financial sector.

Hypothesis 15.

Null Hypothesis H_0: There is no significant difference between collective learning and organisational performance in the tourism sector.

Alternative Hypothesis H_1: There is a significant difference between collective learning and organisational performance in the tourism sector.

Hypothesis 16.

Null Hypothesis H_0: There is no significant difference between culture and metaphor and organisational performance in the tourism sector.

Alternative Hypothesis H_1: There is a significant difference between culture and metaphor and organisational performance in the tourism sector.

Hypothesis 17.

Null Hypothesis H_0: There is no significant difference between process and system and organisational performance in the tourism sector.

Alternative Hypothesis H_1: There is a significant difference between process and system and organisational performance in the tourism sector.

Hypothesis 18.

Null Hypothesis H_0: There is no significant difference between continuous improvement and total quality management and organisational performance in the tourism sector.

Alternative Hypothesis H_1: There is a significant difference between continuous improvement and total quality management and organisational performance in the tourism sector.

Hypothesis 19.

Null Hypothesis H_0: There is no significant difference between knowledge management and organisational performance in the tourism sector.

Alternative Hypothesis H_1: There is a significant difference between knowledge management and organisational performance in the tourism sector.

Hypothesis 20.

Null Hypothesis H_0: There is no significant difference between independent variables and organisational performance in the tourism sector.

Alternative Hypothesis H_1: There is a significant difference between independent variables and organisational performance in the tourism sector.

Hypothesis 21.

Null Hypothesis H_0: There is no significant difference between organisational learning and organisational performance in the tourism sector.

Alternative Hypothesis H_1: There is a significant difference between organisational learning and organisational performance in the tourism sector.

4. Methodology Used

Organisational learning (OL) is indicated by five factors as collective learning (CL), culture and metaphor (CM), process and system (PS), continuous improvement and total quality management (CITQM or CI) and knowledge management (KM) as opined by many. The status of organisational learning including its components as defined by Senge (1990, 1992 and 1993) and Catherine L. Wang and Pervaiz K. Ahmed (2003) has been defined as the independent variables. The dependent variable has been defined as organisational performance (OP). The demographic variables age, sex, work experience, education level and organisation (sector) are defined as control variables.

Organisational performance was measured in terms of perception, which included sales (revenue) growth, profitability, income, productivity, growth in profits or profit earning, continuous growth, market share improving, performing, financial performance, competition, satisfaction, public image and productivity encouragement. These indicators were included in the questionnaire which was distributed to officer level employees in 20 organisations of two sectors including financial and tourism sectors. Financial sector consisted of banks, development banks, finance and insurance companies and tourism sector includes Nepal Tourism Board (NTB), hotels, travel agencies, airlines and trekking. It is hypothesised in this study that the overall status of organisational learning affects organisational performance. To attain the objectives, descriptive and exploratory research designs have been used. The sample size and the number of the respondents are given below:

Table No. 4.1 Number of the Respondents

S.N.	Enterprises	Status	Sample	Actual Collection	Percentage of Sample
1	Total Financial Sector	F	200	150	75
2	Total Tourism Sector	T	200	150	75
	Total		400	300	75

Source: Field Survey, 2009

The study has been conducted based on primary information actually collected sample of 300 or 75% questionnaires out of 400 respondents which was selected from 20 organisations of two sectors including financial and tourism sectors. 150 questionnaires or 75% were obtained in both the sub groups. A five-point Likert scale (with 5= fully agree, 4= agree, 3= soso, 2= disagree and 1= fully disagree) was used for 90 questions. Reliability test shows 0.959 values of Cronbach's Alpha which is near to 1 which shows very good result. Hence, the questionnaire is considered to be highly reliable.

5. Study Findings

The overall status of learning opportunities was moderately satisfactory with majority agreeing to the existence of the learning opportunities. However, the result found tourism sector slightly ahead the financial sector pertaining to collective learning approach in Nepal. Collective learning of higher age group is more satisfactory than the lower age group. Males are more interested for collective learning than females. Work

experience group of 11-15 years are seemed to agree adequately for collective learning. Education group of above master seemed to agree adequately with the statement that collective learning environment is satisfactory. So, collective learning environment is growing stage in the field of Nepal and the institutions of Nepal are trying to incorporate collective learning opportunities in practice. From the study it may be concluded that there is the existence of the learning opportunities in Nepalese organisations, though at a limited scale and depending on the nature and size of the organisations. This is relatively consistent with the theories and previous studies as also observed by Senge (1990, 1992, 1993), Honey and Mumford (1992), Burgoyne and Pedler (1994), Marquardt and Reynolds (1994) and Catherine L. Wang and Pervaiz K. Ahmed (2003). The collective learning environment in Nepalese enterprises however, indicated that there is a substantial room for improvement that is expected to lead for improved organisational learning.

In respect to culture and metaphor, the result showed that the overall status was moderately satisfactory. However, the result finds tourism sector exceeded the financial sector in pertaining to culture and metaphor approach in Nepal. The age groups of 31-40 and above 50 age groups' values are similar and rated comparatively more agreed relating to culture and metaphor in Nepal. The learning opportunities for culture and metaphor are same in both groups in Nepalese enterprises. 11-15 years experience groups seemed to agree adequately that culture and metaphor environment is satisfactory. Above master education group indicated higher level of satisfaction with the situation of culture and metaphor. The culture and metaphor environment in Nepalese enterprises are relatively satisfactory situation and organisation believes people are key to growth and competiveness.

The environment for understanding the culture and metaphor existed to some extent in Nepalese enterprises. It indicated the presence of some encouraging environment in Nepal, where openness to change is also found to be positive. Learning-oriented cultures can substantially influence organisational effectiveness. Organisational learning cultures create learning transfer climates that can enhance and facilitate innovation and adaptation in organisations. Moderate effect on employee perception towards the dimension of culture in enhancing organisational learning were also established in a study of USA, in the findings of Carroll M. Graham and Fredrick Muyia Nafukho (2007). It confirms to the findings of O' Reilly and Chatman (1996) and Simon (1976). Empowered work teams based on learning culture enables knowledge, wisdom, and innovation in the Nepalese organisations and is similar to the findings of Dovey (1997), De Geus (1997), Cairns (1998) and Bierly and Kaiser (2000). It showed that the people are a key to growth and competitiveness for the organisation.

In regards to process and system, the result showed that the overall status was moderately satisfactory with majority agreeing to the existence of the opportunities. Financial sector is relatively better than the tourism sector in response to the process and system of Nepal. The higher age group is seemed more satisfactory in response to the process and system of Nepal. Female are highly enjoying the process and system opportunities in Nepal. The respondents with 11-15 years and 16 above experience group seemed to agree adequately that process and system environments are satisfactory. The response of education group of above master group was more satisfactory. Process and

system environments are moderately satisfactory in Nepalese services sector. The status on process and system existed at a moderate level in Nepalese enterprises confirming to the findings of Glynn et al. (1992), Revans (1982), Popper and Lipshitz (2000), Senge (1990) and Crossan et al. (1994). The result of British Institute of Learning and Development, BILD (2008) recognised that there is still a need for new professional organisations and reawakened the nature of the pioneering spirit that is essential for progress to be made in giving life and energy to important innovations in learning processes design and their management and this is true in Nepal's case too. In Nepalese perspective, strong information, intelligent systems and team learning are needed to boost OL environment and capability but presently these systems exist only to a limited extent. In Nepal, there is a need for integrative processes and networked learning systems to generate competitive advantages as emphasised by Yeo (2002), Murray (2003) and Syed and Robert (2009).

The study assessed the status of continuous improvement and total quality management opportunities in Nepalese enterprises. The result showed that the overall status was moderately satisfactory with majority agreeing to the existence of the opportunities but few dimensions did not show satisfactory result. In respect to continuous improvement and total quality management financial sector group of Nepal seemed to be more satisfying than the tourism sector. Higher age group seemed to agree adequately that CITQM environment was satisfactory. CITQM of the Nepalese organisations are strongly followed by the male. The response of 11-15 years experience group was more satisfactory. The response of above master group of education level group was more satisfactory. The CITQM environments in Nepalese enterprises are relatively satisfactory and find the success of the organisation depends on the constant pursuit of quality enhancement, expand its capacity and competitiveness. In respect to continuous improvement and total quality management the status showed the existence of the opportunities in many dimensions except a few. The results mostly confirm to the findings of Pedler et al. (1991), Buckler (1996), Scarbrough et al. (1998), Hodgkinson (2000) and Garratt (1999). Continuous improvement is a process that involves everyone, employees and managers alike that involves rearranging and redesigning of elements of the organisation, it requires the continuous rethinking of the patterns that connect and relate different elements of the organisation and connect them with the environment. Continuous improvement is recognised as an important aspect in Nepal’s organisational development. It is similar to the findings of a survey in Australia (Judy Oliver, 2009). Yoram Mitki, A. B Shani and Zvi Meiri (1997) and Kaizen (1986) emphasised that continuous improvement is an integral part of organisational life and business competitive strategy. Further, the findings of the present study are similar to the findings of Taina Savolainen and Arto Haikonen (2007) who suggested that the learning process is characterised by measurement, detection and correction of errors, and cost reduction and continuous improvement occurs through these procedural practices which form a structure for sustaining learning. Continuous improvement and total quality management environments in Nepalese enterprises show that the success of the organisation depends on the constant pursuit of quality enhancement ability to expand its capacity and competitiveness.

In regards to knowledge management, the result showed that the overall status was moderately satisfactory with majority agreeing to the existence of the knowledge

management opportunities but few dimensions did not show satisfactory result. Tourism sector domains the financial sector pursuing the knowledge management approach. The response of 31-40 and higher age group is more satisfactory. Female are more interested in respect to knowledge management than male. The response of 11-15 and 16 above experience groups seemed to agree adequately that knowledge management environment was more satisfactory. The response of below graduate education group was more satisfactory with the situation of knowledge management. The knowledge management environment in Nepalese enterprise is moderately satisfactory and finds the necessity of new techniques, method and ideas to improve the organisation.

It can be stated that there are some opportunities in Nepalese enterprises to enhance knowledge management. There is emphasis on continuous education and learning and knowledge and expertise of individuals are utilised to some extent as observed by Lyles (1992 and 1988), Fiol (1994), Fiol and Lyles (1985), Maxim Voronov and Lyle Yorks (2006). In Nepal, KM is in a formative stage. However, there is some recognition of KM in Nepalese enterprises too. Knowledge sharing and shared vision would facilitate the transformation of collective individual knowledge to organisational knowledge, organisational learning and organisational effectiveness (Siu Loon Hoe and Jen-te Yang, 2007). Knowledge management environment in Nepalese enterprise indicates the need of shared vision with appropriate techniques, methods and ideas to improve organisational performance.

The organisational learning of the financial sector recorded higher mean value of 3.60 and seemed to be relatively more satisfying than the tourism sector with the mean value of 3.59. The organisational learning of financial sector is better than the tourism sector. The total mean value of OL is 3.60 and seemed to agree that organisational learning is satisfactory. Hence, the overall status of organisational learning environment in Nepalese enterprise is satisfactory. Among the OL variables, CL, CM and CITQM are found to be more satisfactory than PS and KM in the result of OL.

Organisational learning is relatively a recent concept in Nepalese enterprises though some form of it may have been practiced since long. The findings of Carroll M. Graham and Fredrick Muyia Nafukho (2007), Murray, Syed and Roberts (2009) and Barbara Caemmerer and Alan Wilson (2010) showed that educational level, longevity, type of enterprise, and gender, feedback mechanism explain organisational learning readiness in enterprises. V. Venugopal and W. Baets (1995) observed that case-based reasoning systems, knowledge-based systems, cognitive mapping systems and neutral networks are integrated and made available together with the other advanced IT tools; they can support and enhance some of the organisational learning processes. These factors in most cases are identified in Nepalese enterprises too as determinants of OL. Organisational learning needs to be supported as external environments and internal dynamics of organisations become more complex. Organisational learning, organisational culture and knowledge management correlate each other in Nepal as described by Ajay Kr. Singh and Vandna Sharma (2011). Financial sector group of Nepal was found to be a little bit better than the tourism sector in respect to OL. Some evidences are available indicating the presence of organisational learning environment in Nepalese enterprises. Among the OL variables, CL, CM and CITQM are prevalent particularly in these enterprises. From it, it may be further deduced that Nepalese enterprises lagged behind in

process or system (PS) and Knowledge management (KM) and in order to promote wholesome OL environment, that has proven contribution to organisational performance by various researches including the present study, there is a need to extend additional emphasis to PS and KM to create conducive OL environment.

In respect to organisational performance, the results showed that the overall status was moderately satisfactory with majority agreeing to the existence of the organisational performance opportunities. It entails that the organisation is performing well in the current situation and not lagging behind the competitors in the market. The financial sector recorded higher mean value of 3.65 is adequately satisfactory with majority agreeing to the existence of the organisational performance opportunities than the tourism sector of mean value 3.55. It indicates that 31-40 and higher age group seemed to agree more adequately that organisational performance environment is satisfactory. Organisational performance of female group is relatively good than male group. The response of 11-15 experience group seemed to agree adequately satisfactory. The response of above master level education group highly agreed with the majority that the organisational performance opportunities are followed by them. The organisational performance environment is satisfactory in Nepalese enterprises even the differences in most of the cases barring a few were only marginal. The overall status of organisational performance is 3.60 and seemed to agree that organisational performance is satisfactory. The financial sector group of Nepal seemed to be more satisfying than the tourism sector in respect to organisational performance.

The status of organisational performance showed variation within and across the sectors. In Nepal, organisational learning is found to positively correlate with organisational performance, as is the case with most of the other researches for example viz. Aradhana Khandekar and Anuradha Sharma (2006), Chin-Yen Lin and Tsung-Hsien Kuo (2007), Mintzberg et al. (1995), Peter Murray and Roland Yeo (2003), Venkatraman and Ramanujam (1986), Ulrich et al. (1993), Denton (1998), Delaney and Huselid (1997), Andersen (2006), Lee and Lee (2007), Susana Pe´rez Lo´pez, Jose´ Manuel Montes Peo´n and Camilo Jose´ Vazquez Orda´s (2005), Mark Anthony Farrell, Edward Oczkowski and Radwan Kharabsheh (2008), Richard Dealtry (2009) and Ronald Zallocco, Ellen Bolman Pullins and Michael L. Mallin (2010). The financial sector group of Nepal was found to be marginally better than the tourism sector in respect to organisational performance. It shows that the organisation is performing well and not lagging behind the competitors in the market.

The comparison between the total status of OL and OP showed that the financial sector recorded higher mean value and seemed to be relatively more satisfying than the tourism sector of each case. However, the difference, as mentioned in other aspects, is small. It also showed that organisational learning and organisational performance is highly correlated with equal value of 3.60 each. So it is perfectly related with each other. Therefore, there is a strong relationship between organisational learning and organisational performance. Hence, it may be deduced that organisational learning affects organisational performance.

The study indicated that there is a difference between financial and tourism sector responses. It means that there is no relationship between tourism and financial sector. The response did not indicate that the independent variables environment is in a really

encouraging stage as the mean values were well below fully agreed. In spite of this, it may be termed as there are opportunities in Nepalese enterprises of the independent variable organisational learning and its components viz. collective learning, culture and metaphor, process and system, continuous improvement and total quality management and knowledge management and dependent variable organisational performance appeared to be satisfactory. They are related to each other. Accordingly, it proves that organisational learning and its components affects organisational performance as hypothesised. The results confirm to the findings of Dess and Robbinson (1984), Lawrence and Lorsch (1987), Hansen and Wernefelt (1989) and Lyles and Salk (1997).

In the tourism sector, only knowledge management is found to impact organisational performance. In the financial sector, culture and metaphor, process and system, continuous improvement and total quality management and knowledge management strongly impact organisational performance but collective learning only partly impacts organisational performance. In totality, process and system, continuous improvement and total quality management and knowledge management strongly impact organisational performance meaning that these factors need to be accorded greater consideration in OL strategies.

All five variables selected to define organisational learning as collective learning, culture and metaphor, process and system, continuous improvement and total quality management and knowledge management were found to be significant and explained organisational performance. Therefore, the dependent variable, organisational performance is explained by the independent variables. However, the degree of significance was found to be different. Multiple regressions including all five organisational learning variables for combined sector showed that only three variables, knowledge management, continuous improvement and total quality management and process and system were found to be significant variable affecting organisational performance. Hence, the most significant variables influencing organisational performance were knowledge management, continuous improvement and total quality management and process and system. Culture and metaphor and collective learning were found to be less significant though they were also found to explain organisational performance to some extent. Thus, in Nepalese perspective, knowledge management, continuous improvement and total quality management and process and system can be termed as leading organisational learning variables influencing organisational performance.

Table No. 5.1 Regression Results for Combined Sector (CS)

S.N.	D.V.	Constant	I.V.	R2	Adj.R2	F
1.	OP	16.758 (9.670)*	CL= .216 (9.088)*	.217	.214	82.593
2.	OP	18.202 (12.988)*	CM= .219 (10.232)*	.260	.257	104.687
3.	OP	17.654 (15.554)*	PS= .211 (13.162)*	.368	.365	173.235

4.	OP	15.564 (12.020)*	CI= .460 (13.132)*	.367	.364	172.459
5.	OP	13.393 (10.232)*	KM= .400 (14.652)*	.419	.417	214.693
7.	OP	12.119 (8.378)*	OL= .348 (14.125)*	.401	.399	199.519

Table No. 5.2 Regression Results for Financial Sector (FS)

S.N.	D.V.	Constant	I.V.	R2	Adj.R2	F
8.	OP	18.675 (9.378)*	CL= .198 (7.152)*	.257	.252	51.152
9.	OP	21.845 (12.907)*	CM= .170 (6.549)*	.225	.219	42.887
10.	OP	20.065 (14.939)*	PS= .181 (9.616)*	.385	.380	92.473
11.	OP	17.821 (11.532)*	CI= .401 (9.798)*	.393	.389	95.992
12.	OP	16.702 (9.810)*	KM= .340 (9.542)*	.381	.377	91.052
14.	OP	15.746 (9.079)*	OL= .293 (9.917)*	.399	.395	98.350

Table No. 5.3 Regression Results for Tourism Sector (TS)

S.N.	D.V.	Constant	I.V.	R2	Adj.R2	F
15.	OP	13.768 (4.922)*	CL= .248 (6.554)*	.225	.220	42.955
16.	OP	14.390 (6.626)*	CM= .270 (8.179)*	.311	.307	66.895
17.	OP	15.574 (8.673)*	PS= .237 (9.259)*	.367	.363	85.735
18.	OP	13.534 (6.486)*	CI= .516 (8.930)*	.350	.346	79.750
19.	OP	10.572 (5.543)*	KM= .448 (11.337)*	.465	.461	128.532
21.	OP	8.743 (3.895)*	OL= .399 (10.434)*	.424	.420	108.860

(The calculated p-value is significant at 1% level of significance up to this table.)

Table No. 5.4 Multiple Regression Results

S.N.	D.V.	Const.	CL	CM	PS	CITQM	KM	R^2	A.R^2	F
6. (CS)	OP	12.225 (7.850)* [.000]*	.004 (-.145) [.885]	.026 (-.770) [.442]	.063 (2.040)** [.042]**	.174 (3.149)* [.002]*	.241 (5.315)* [.000]*	.465	.455	51.007
13. (FS)	OP	15.795 (8.460)* [.000]*	.024 (.618) [.538]	.068 (-1.740)** [.084]***	.084 (2.321)** [.022]**	.199 (2.764)* [.006]*	.134 (2.254)** [.026]**	.465	.446	25.001
20. (TS)	OP	8.971 (3.645)* [.000]*	.005 (-.108) [.914]	.018 (.306) [.760]	.035 (.706) [.481]	.134 (1.530)*** [.128]	.315 (4.617)* [.000]*	.487	.469	27.361

(* means 1% level of significance; ** means 5% level of significance and *** means 10% level of significance. Figures in parentheses ( ) show t-value and [ ] show p-value. Critical Values of T (Degree of freedom > 120) = 2.3263 at1% level; 1.6449 at 5% level and 1.2816 at 10% level.)

Multiple regressions including all five variables for the financial sector showed that four variables were found to be more significant in which continuous improvement and total quality management were found to be highly significant and explained organisational performance. Simultaneously, process and system, knowledge management and culture and metaphor variables of financial sector were also found to be more significant affecting organisational performance. However, collective learning showed less significant and did not adequately explain organisational performance.

Again, multiple regressions including all five variables for the tourism sector showed that only one variable knowledge management was found to be highly significant affecting organisational performance and explained OP whereas only CITQM of t-statistics was found to be significant and explained slightly to OP. Nonetheless, collective learning, culture and metaphor and process and system showed less significant and less explained the organisational performance.

6. Conclusions

In respect to comparision of the financial and the tourism sector, knowledge management was found to be more significant to explain organisational performance. Simultaneously, continuous improvement and total quality management of the financial sector was found to be more significant than in the tourism sector and explained organisational performance. The variables process and system and culture and metaphor in the financial sector were found to be more significant than in the tourism sector affecting organisational performance. Collective learning variable in the both sectors were not found to be significant in explaining organisational performance as expected but found satisfactory in the result of OL variables. The overall p-values of OL including all five independent variables were significant at 1% level of significance. Besides, there is only a marginal difference in the two sectors in this respect. Organisational learning and

organisational performance is found to be highly correlated. It means that the overall organisational learning impacts organisational performance in all sectors. The independent variables are closely related to the dependent variables. Hence, organisational learning and organisational performance have significant relationship. So, it can be concluded that organisational learning affects organisational performance. Thus, the overall status of organisational learning affects organisational performance but in many areas significant improvements are needed as specified in Nepalese enterprises.

7. Recommendations for Future Research

- Studies may be conducted by relating collective learning, culture and metaphor, process and system, continuous improvement and total quality management, knowledge management, perception, motivation, technology innovation, training, competitive advantage, creativity, change, empowerment, productivity, commitment, turnover, participation, intellectual capital etc.
- Studies may be conducted relating to the status of organisational learning with the performance based on hard data.
- Studies may be conducted pertaining to organisational learning and human relations HR or some individual indicators like growth, employee satisfaction, market share etc.
- Studies may be conducted using other models like Dess and Robbinson, 1984, Powell and Dent-Micallef, 1997; Tippins and Sohi, 2003 etc.
- The linkage between action-based and cognitive-based views of learning is new direction for future research. Power, politics, emotions and ethics are important areas that remain under-discussed and under researched and may be initiated in global as well as region/ issue specific manner.

Organisational Learning and Performance in Nepalese Services Sector

ABSTRACT

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For the Degree of

Doctor of Philosophy (Ph.D) in Management

Kathmandu, Nepal

April, 2012

CHAPTER – I

INTRODUCTION

1.1 Background

Organisational development (OD) is increasingly becoming necessary to be able to withstand the ever increasing challenges in the market and growing competition caused by opening up of the market and increasing dynamism in the environment. Human resource is an important aspect of OD but the traditional concept of training and development are not considered adequate to initiate the process of OD and organisational preparedness. In the perspective, new concepts like organisational learning (OL) have emerged to help create a learning environment in totality in the organisation system. It has become an issue of serious concern and research in the recent times.

The individual is a key to organisational learning because it is the thinking and acting of individual practitioners that produce learning. Keys to learning, therefore, are the reasoning processes that human beings use to design, invent, produce and evaluate their actions. Additionally, supra individual units such as groups, inter-groups, and organisations are keys to enabling learning.

Organisational learning is a competence that all organisations should develop in fast-changing and competitive environments. It concentrates on the observation and analysis of the processes involved in individual and collective learning inside organisations (Argyris and Schon, 1978; Dodgson, 1993; Fiol and Lyles, 1985; Huber, 1991; Kim, 1993; Levitt and March, 1988; Romme and Dillen, 1997; Shaw and Perkins, 1992; Shrivastva, 1983; Stata, 1989). In addition to distinguishing between the above "means" (organisational learning) and "ends" (learning organisation), Finger and Brand (1999) conceptualised that the learning organisation as a strategic objective like, for example, increased profitability or customer satisfaction.

Organisational learning is a dynamic process that involves moving between different levels of action, going from the individual to the group level, from there to the organisational level, and vice versa (Huber, 1991; Crossan et al., 1999). The analysis of

learning as a process reveals three main aspects. First, knowledge, or, more specifically, its acquisition or creation and its dissemination and integration within the organisation, becomes a key strategic resource and the basis of a firm's learning capability (Grant, 1996; Zander and Kogut, 1995; Teece et al., 1997). Second, the creation and dissemination of knowledge implies the existence of internal changes that may come about both on a cognitive and behavioral level (Fiol and Lyles, 1985). Lastly, these changes lead to a continuous process of improvement that allows the firm's performance to be maintained or augmented (Fiol and Lyles, 1985; Garvin, 1993; Slocum et al., 1994), and even to achieve competitive advantage based on firms' varying capabilities to learn (Mahoney, 1995; Brenneman et al., 1998). Although organisational learning has traditionally been considered a unidimensional construct, various studies have highlighted its complexity and multidimensionality (Senge, 1990; Nicolini and Meznar, 1995; Slater and Narver, 1995). In line with these studies, it may be inferred learning to be a multidimensional construct, since various aspects must be present in order for an organisation to develop an effective learning capability.

Organisational learning is very broad in terms of the disciplines that have developed organisational learning theories and their viewpoints. However, within each discipline it is generally accepted that effective organisational learning is a necessary ingredient for any organisation to remain competitive in the long run. Dodgson (1993) provided a comprehensive definition of organisational learning i.e. organisational learning involves the ways firms build, supplement and organise knowledge and routines around their activities and within their cultures and adapt and develop organisational efficiency by improving the use of the broad skills of their workforces. Organisational learning includes such direct learning activities as research and development and formal education of employees. It also involves the means that the organisation uses to disseminate information throughout its ranks and the way that the information is processed and stored.

Organisational learning comprises descriptive and normative strands. Descriptive strand points to the intra and inter-organisational processes by which organisations build on knowledge in their internal or external environments to solve or resolve problems that are currently relevant. The descriptive strand provides sanguine warnings about the

substantial barriers to learning that are attributable to features of learners, of interaction, and of organisations. Individual cognition sacrifices accuracy for efficiency, groups sacrifice accuracy for cohesion and organisations sacrifice learning for stability. The normative strand believes that organisations can learn skillfully, more openly and with fewer unintended negative consequences. So, organisational learning is coming together of a group of individuals to enable support and encourage one another's learning, which will in the longer term be of benefit to the organisation.

Learning is enhanced when the learner is motivated to learn and active participation improves motivation. Learning requires feedback about results and progress and standards of performance should be set for the learner. Reinforcement increases the likelihood that a learned behavior will be repeated. Practice increases a learner's performance. Repetition helps learning. Learning has a curve- it begins rapidly and then increases at a decreasing rate until a plateau is reached. Learning must be transferable to the job. It should match demands of the job. Learning is helped when material to be learned is relevant and training techniques should fit training objectives and needs (DeCenzo and Robbins, 2002; Werther and Davis, 1993).

Organisational learning has emerged as an important research topic within organisation studies (Cyert and March, 1963; Cangelosi and Dill, 1965; Daft and Weick, 1984; Senge, 1990; Huber, 1991). The current interest in the subject among academics and practitioners reflects the idea that firms need to improve their products and processes constantly in order to create and maintain competitive advantage (Smith et al., 1996). Recently, the resource-based view has focused on intangible resources as a source of heterogeneity among organisations (Barney, 1992; Teece et al., 1997). Organisational learning has been evaluated as a strategic capability (Grant, 1996; Lei et al., 1996 and 1999) which can lead to sustainable advantage based on the creation, transfer and institutionalisation of tacit knowledge which is valuable, rare, inimitable and non substitutable (Snell et al., 1996). Organisational learning capability is directly linked to the firm’s human resources (Nonaka, 1994; Kamoche and Mueller, 1998). The different dimensions that can identify within organisational learning capability (learning commitment, systems thinking, knowledge transfer and integration, openness and experimentation) may be positively affected by concrete human resources policies. Thus,

human capital becomes a strategic factor and human resource management a fundamental tool for leading the organisation towards a culture of earning and knowledge transfer (McGill et al., 1992; Jones and Hendry, 1994; Koch and McGrath, 1996; Kamoche and Mueller, 1998).

Developing this capability is based on the existence of a strong commitment to learning (Stata, 1989; Garvin, 1993). This commitment implies that management must establish a strategic view towards learning, making it a visible central element and a valuable tool that will have an influence on achieving long-term results (Ulrich et al., 1993; Slocum et al., 1994; DiBella et al., 1996; Hult and Ferrell, 1997). Likewise, management must ensure that the personnel understand the importance of learning and that it actively participates in its achievement (Senge, 1990; Slater and Narver, 1995; Spender, 1996; Williams, 2001). Finally, management must take a leading role in the process of change, taking on the responsibility of creating an organisation that is capable of regenerating itself and of confronting new challenges (Lei et al., 1999). In order to do this, it has to eliminate old beliefs and mental models that, though valid for interpreting reality at a specific point in time, may eventually act as obstacles (De Geus, 1998; McGill and Slocum, 1993; Nonaka and Takeuchi, 1995; Lei et al., 1999).

Learning capability is based on the existence of a collective conscience, which enables the firm to be seen as a system in which each element has to contribute towards obtaining a satisfactory result (De Geus, 1998; Senge, 1990). This view of the firm as a system helps to group an organisation's members around a common identity (Sinkula, 1994). The different individuals and areas making up the firm must have a clear vision of the organisational objectives and understand how they themselves can contribute towards their achievement in a coordinated way (Leonard-Barton, 1992; Kofman and Senge, 1993; DiBella et al., 1996; Hult and Ferrell, 1997; Lei et al., 1999). Viewing the firm as a system implicitly involves recognising relationships based on the exchange of information and services (Ulrich et al., 1993) and induces developing shared mental models (Senge, 1990; Kim, 1993; Miller, 1996). This gives rise to the idea that organisational learning possesses a collective nature that goes beyond individual learning (Shrivastava, 1983).

Learning requires openness to new ideas and a high degree of experimentation (Leonard-Barton, 1992). A predisposition to openness provides room for new viewpoints, allowing a constant renewal and improvement of individual knowledge (Senge, 1990; Slocum et al., 1994; Sinkula, 1994). There must be a prior commitment to cultural and functional diversity, and a willingness to accept all types of opinions and experiences (McGill et al., 1992; McGill and Slocum, 1993; DiBella et al., 1996). Openness to new ideas favours experimentation, since it involves the search for innovative and flexible solutions with which to tackle current and future problems (Leonard-Barton, 1992; Garvin, 1993). Experimentation needs a culture that promotes creativity and risk-taking behaviour (Slocum et al., 1994; Slater and Narver, 1995; Naman and Slevin, 1993). Organisational learning capability is, then, a complex and multidimensional construct. The new insights or "theory-in-use" are embedded in the shared mental models of other organisational members or in the organisational artifacts to make the learning become organisational. There is an inherent assumption that learning will improve future performance through change of insight, new organisational structure and new actions or the combination of all (Huber, 1991).

A key part of the organisational learning process is the development of organisational knowledge, based on the transfer and integration of knowledge that is individually acquired (Nonaka and Takeuchi, 1995). Transfer implies the internal dissemination of knowledge, mainly through conversations and interactions among individuals (Brown and Duguid, 1991; Kofman and Senge, 1993; Nicolini and Meznar, 1995). Work teams or personnel meetings become ideal situations in which to openly share ideas (Stata, 1989; Slater and Narver, 1995; Lei et al., 1999). The fundamental role of work teams in developing organisational learning has been mentioned (DiBella et al., 1996; Snell et al., 1996), with particular emphasis on multi-functional teams (Garvin, 1993; Ulrich et al., 1993; Nonaka and Takeuchi, 1995). By helping to integrate knowledge acquired individually (Senge, 1990; Hult and Ferrell, 1997), team learning contributes towards creating a collective corpus of knowledge that is submerged in the organisational culture, the work routines and processes and other elements making up the organisational memory (Huber, 1991; Walsh and Dodgson, 1991).

The memory allows knowledge to be subsequently recovered and applied in different situations, enabling the firm to learn constantly in spite of the natural rotation of its members (Levitt and March, 1988; Simon, 1991). If learning capability is to mark out differences among firms, the current competitive context requires more than just adapting to changes within a set framework (Hedberg, 1981; McGill and Slocum, 1993). Thus, the firm should concentrate on generating learning. This learning enables the organisational system in place to be questioned, acting ahead of changes and not solely adapting to them (Senge, 1990).

Organisational learning is very important for planning, organising, staffing, leading and controlling. By learning approaches, the organisation can achieve their organisational goal or target. If gaps emerge between planning and outcomes, then it can be improved by getting feedback through information. With the help of OL, it can manage environment, competition, change and uncertainty. Organisational learning enables the firm to adapt to external change and to improve its current processes. Organisational learning is a required element for long-term success (Kloot, 1996). The objective is to increase their ability of searching, encoding, distributing, and interpreting the eternal information which is called the "absorptive capacity" of the organisation (Cohen and Levinthal, 1990).

There is growing agreement that one of the primary drivers, if not the key driver of long-term organisational effectiveness, is the ability of an organisation to learn effectively. The financial benefits of the applied learning are far greater than the additional preparatory costs (Elliott and Dawson and Edwards, 2009). The implementation of organisational learning depends on attitudes of middle management towards customer feedback mechanisms (Caemmerer and Wilson, 2010). It is demonstrated that the organisational learning is a direct and positive antecedent of customer value creation capability, understood from a functionalist perspective. It is also confirmed that the organisational learning directly enhances the business performance (Sanchez, Vijande and Gutierrez, 2010).

In Nepal, organisational learning is in a developing stage. To enhance local and global market, for positioning and to meet the competition, organisational learning is

must. Establishing values, operational procedures proper administration of its affairs, funds and resources for day-to-day operation; recruiting staff assigning duties and responsibilities to staff supervision and disciplinary control over their works and conducts including their removal/dismissal; instituting, conducting, defending and abandoning any legal proceedings by organisation and undertaking any other tasks that may be delegated by board and delegating in writing some of the powers as may be necessary to other executive officers is concerned with organisational learning. Again, organisational learning is important for community physical infrastructure, human resource development, monitoring, evaluation and research finance, accounts and administration program coordination and communications and so on.

The world is moving towards globalisation in the present era. It generates tough competition, challenges as well as opportunities. The movements of people, goods, and services have been facilitated and have become quite easier. It enhances international market with enhanced market potentialities. Successful organisations try to cater to such demands created by the international market. Improved management capability is also essential to meet such challenges. To be successful, top management requires in-depth and quality knowledge. Organisation learning is a dependable way to acquire such information and issues from different angles. Continuous learning will give new, correct and updated information to resolve the problem. Concomitantly, it will enable to enrich quality knowledge too. Hence, the role of organisational learning and need for its promotion in modern day organisations is well established.

1.2 Conceptual Framework

Organisational learning is the process through which managers seek to improve employee's desire and ability to understand and manage the organisation and its task out. So that employees can make decisions that continuously raise organisation effectiveness. Organisational learning leads to:

- Maximise the ability of individual and groups

- Change the management assumptions

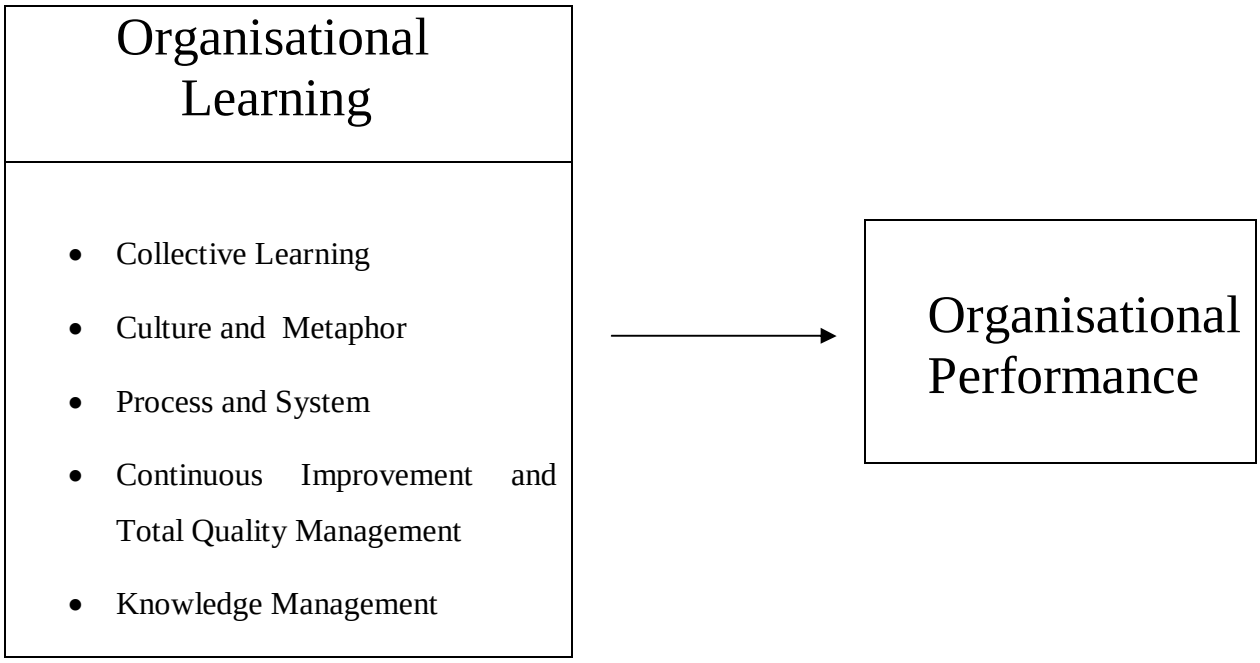
- Promote creativity (creative thinking and decision making)

- Learning in the context of a organisation

Based on researches in other countries, it may be deduced that collective learning, culture and metaphor, process and system, continuous improvement, quality management and knowledge management are the burning issues for organisational learning and management. An organisation could be better and operate effectively and efficiently if these factors are finalised and studied. In the twentieth century, according to Huber and Crossan, organisational learning involves in between different levels of action, going from the individual to the group level and after then organisational level. So, these factors are crucial to see the relations between and within the factors and organisational learning and organisational performance. Sveiby (1997), Ehin (2000), Sullivan (2000), Edvinsson and Malone (1997) and Stewart (1997) identified a component for the improvement to the organisation is organisational performance. Organisational success takes place by the improvement of the organisation with broad knowledge and competitive advantages. Knowledge management is largely related to intellectual capital i.e. organisational wealth as termed by Stewart (1997), Sveiby (1997) and Sullivan (2000). It has been conceptualised that:

- Every person in the organisation should develop a sense of personal mastery (Empower employees and allow them to be creative).
- Encourage employees to develop and use complex mental models – sophisticated ways of thinking that challenge them to find new and better ways of performing a task.
- Team learning is more important than individual learning. Most decisions are made in groups.
- Build a shared vision to frame problems and opportunities.
- Encourage system thinking. Recognise the inter correlation of the units of organisation. Effects of one level of learning on another.

Fig. No. 1.1 Relationship between Organisational Learning and Performance



It is conceptualised that collective learning, culture and metaphor, process and system, continuous improvement and total quality management and knowledge management forms in totality the organisational learning as envisaged by Senge (1990) and Catherine L. Wang and Pervaiz K. Ahmed (2003). Additionally, it is also conceptualised that organisational learning affects organisational performance.

1.3 Statement of the Problem

Although relevant contributions have arisen from organisational learning research, there is clearly a lack of empirical studies that explore the relationship between human resource management practices and learning development. This is particularly surprising, since the literature has recognised the role of human resources practices in creating and maintaining competitive advantages (Lado and Wilson, 1994; Yeung and Berman, 1997). With regard to human resource training policies, several works highlight the positive effect of certain practices on learning, although empirical evidence of this has not been supplied.

The importance of on-going training (Ulrich et al., 1993), mobility across divisions and functions (McGill et al., 1992; Lei et al., 1999) or personnel rotation

programmes (Garvin, 1993) have been reported in this regard. Team or group training (Garvin, 1993; Nonaka and Takeuchi, 1995) and multi-skill training (Leonard-Barton, 1992; Pfeffer, 1994) have also been highlighted as strategies that foment flexibility and cohesion among employees, both of which are particularly relevant in learning organisations. However, the way in which training strategy is related to the different dimensions included in a firm's learning capability is a research problem that has not been sufficiently covered in the literature.

The question of the relationship between the firm's training strategy and its learning capability is relevant in that the criteria for designing training policy influence the firm's ability to maintain highly qualified personnel in the long term, and to encourage their flexibility and creativity (Garvin, 1993; Lei et al., 1996). They represent, therefore, a major determining factor in the organisation's learning capability development.

Environmental turbulence, organisational change and increasing complexity are obvious features of the business and organisational world as we approach the twenty-first century. The implications can be identified more specifically in a number of ways for organisations. Organisational structures may need to be more flexible and adaptable. They will and may have to change constantly in order to reflect new interrelationships, interactions, patterns, uncertainties and ambiguities that will be created, destroyed and recreated within the rapidly changing environment.

The increasing globalisation of business is bringing together distinct national and organisational cultures through mergers, strategic alliances and joint ventures. Organisations need to be more proactive creating the "future by design". It requires more "middle-up" approaches to the development of strategy and particularly more creative strategic thinking rather than "planning" in the rigid, traditional sense (Stacey, 1990, 1992, 1993 and 1996). The importance of people to organisations in the future will be paramount as the management of knowledge and intellectual capital becomes the prime sources of an organisation (Malone, 1997; Ulrich, 1998; Teece, 1998). Managers will also need an increasingly sophisticated awareness of stakeholders and their needs

(Greenley and Foxhall, 1996; Hamilton and Clarke, 1996; McDermott and Chan, 1996; Mitchell et al., 1997).

Organisational learning can be engendered via many intervention points, not a single focus or programme aimed either at individuals or collectivities, however both individual and collective changes must be planned for and taken into consideration. Interventions which focus on the creation of doubt is different from those aimed at the creation of conviction, both are important. It should, however, be recognised that doubt is an individual capacity and that consensus or organisational conviction requires group or organisational level agreement which has been referred to as "paradigm shift". The process of moving from individual doubt and learning to organisational learning is important and requires further study if we are actively to support organisational learning. A comprehensive review of organisational learning indicated that there is limited empirical research on organisational learning, especially using a large sample survey (Easterby-Smith and Araujo, 1999) meaning that there is a need to take up the issue further with research and enquiries.

Similarly, the focus of previous studies has centered on the perspective of the collective process of cognitive change for the whole organisation (Huber, 1991) and the spread of learning to different levels of organisational members (Nonaka and Takeuchi, 1995; Crossan and Bontis, 1998) that still needs to be enquired in Nepalese perspective.

Research in organisational learning in enterprises in Nepal still remains poor. A few doctoral studies do exist in some aspects but mainly related to training but not encompassing OL. For example, Geeta Pradhan (1997) has conducted a systematic study on the Management Development in Manufacturing Public Enterprises of Nepal. Similarly, Ravi P. Shrestha (1991) has focused on Personnel Management in Private Industrial Enterprises in Nepal and Narottam Upadhaya (1981) has concentrated on Personnel Management in Manufacturing Public Enterprises in Nepal. These studies were conducted from personnel management, training and development perspective only and not from organisational learning. Studies that could contribute to fill up the gaps on knowledge regarding organisational learning in the country are needed to be undertaken.

Additional researches with varied perspectives have been conducted in Nepal viz. Shakya (2007), Devkota (2008) and Parajuli (2008) relating OL with HRD and other aspects mainly in financial institutions. The present study is particularly concentrated on tourism and financial sectors. Hence, studies in a broader perspective enquiring into factors affecting organisational learning and their impact on performance are felt needed. The major issues and questions that emerge for such a study are:

- How organisational learning is being done in Nepalese enterprises particularly in the services sector?
- What are the dimensions of OL being emphasised by Nepalese services sector?
- Is there a difference between financial and tourism services sector in terms of organisational learning practices and policies?
- What is the need of OL?
- To what extent OL affects organisational performance in the services sector in Nepal?
- What efforts are needed to be initiated to improve organisational learning environment to attain organisational efficiency and effectiveness?

The present study is basically directed towards examining these research issues. Further, a comparative study of the Financial and the Tourism services sector is expected to understand the best practices so that more efficient and plausible strategies could be adopted.

1.4 Objectives of the Study

This study basically aims at identifying the status of OL practices and comparing the status in Financial and Tourism sub sector in the services sector of Nepal. The specific objectives of this study are:

1. To examine the environment for organisational learning in Nepalese services sector.
2. To assess the status of organisational learning in Nepalese services sector and compare between the two selected services sectors.

3. To examine the relationship between organisational learning and organisational performance.
4. To evaluate the existing deficiencies and challenges for promoting organisational learning in Nepalese services sectors.

1.5 Hypotheses

The following null hypothesis is proposed to be tested in this study:

Null Hypothesis H_0: There is no significant difference between organisational learning defined in terms of collective learning, culture and metaphor, process and system, continuous improvement and total quality management, knowledge management and organisational performance defined in terms of profit earning, sales, income, continuous growth, market share improving, performance, competition, satisfaction, good image, productivity encouragement in the Nepalese services sector.

Based on this hypothesis, altogether the following twenty one hypotheses have been developed for testing in respect to the combined sector, the financial and the tourism sector respectively.

Hypothesis 1.

Null Hypothesis H_0: There is no significant difference between collective learning and organisational performance.

Alternative Hypothesis H_1: There is a significant difference between collective learning and organisational performance.

Hypothesis 2.

Null Hypothesis H_0: There is no significant difference between culture and metaphor and organisational performance.

Alternative Hypothesis H_1: There is a significant difference between culture and metaphor and organisational performance.

Hypothesis 3.

Null Hypothesis H_0: There is no significant difference between process and system and organisational performance.

Alternative Hypothesis H_1: There is a significant difference between process and system and organisational performance.

Hypothesis 4.

Null Hypothesis H_0: There is no significant difference between continuous improvement and total quality management and organisational performance.

Alternative Hypothesis H_1: There is a significant difference between continuous improvement and total quality management and organisational performance.

Hypothesis 5.

Null Hypothesis H_0: There is no significant difference between knowledge management and organisational performance.

Alternative Hypothesis H_1: There is a significant difference between knowledge management and organisational performance.

Hypothesis 6.

Null Hypothesis H_0: There is no significant difference between independent variables and organisational performance.

Alternative Hypothesis H_1: There is a significant difference between independent variables and organisational performance.

Hypothesis 7.

Null Hypothesis H_0: There is no significant difference between organisational learning and organisational performance.

Alternative Hypothesis H_1: There is a significant difference between organisational learning and organisational performance.

Hypothesis 8.

Null Hypothesis H_0: There is no significant difference between collective learning and organisational performance in the financial sector.

Alternative Hypothesis H_1: There is a significant difference between collective learning and organisational performance in the financial sector.

Hypothesis 9.

Null Hypothesis H_0: There is no significant difference between culture and metaphor and organisational performance in the financial sector.

Alternative Hypothesis H_1: There is a significant difference between culture and metaphor and organisational performance in the financial sector.

Hypothesis 10.

Null Hypothesis H_0: There is no significant difference between process and system and organisational performance in the financial sector.

Alternative Hypothesis H_1: There is a significant difference between process and system and organisational performance in the financial sector.

Hypothesis 11.

Null Hypothesis H_0: There is no significant difference between continuous improvement and total quality management and organisational performance in the financial sector.

Alternative Hypothesis H_1: There is a significant difference between continuous improvement and total quality management and organisational performance in the financial sector.

Hypothesis 12.

Null Hypothesis H_0: There is no significant difference between knowledge management and organisational performance in the financial sector.

Alternative Hypothesis H_1: There is a significant difference between knowledge management and organisational performance in the financial sector.

Hypothesis 13.

Null Hypothesis H_0: There is no significant difference between independent variables and organisational performance in the financial sector.

Alternative Hypothesis H_1: There is a significant difference between independent variables and organisational performance in the financial sector.

Hypothesis 14.

Null Hypothesis H_0: There is no significant difference between organisational learning and organisational performance in the financial sector.

Alternative Hypothesis H_1: There is a significant difference between organisational learning and organisational performance in the financial sector.

Hypothesis 15.

Null Hypothesis H_0: There is no significant difference between collective learning and organisational performance in the tourism sector.

Alternative Hypothesis H_1: There is a significant difference between collective learning and organisational performance in the tourism sector.

Hypothesis 16.

Null Hypothesis H_0: There is no significant difference between culture and metaphor and organisational performance in the tourism sector.

Alternative Hypothesis H_1: There is a significant difference between culture and metaphor and organisational performance in the tourism sector.

Hypothesis 17.

Null Hypothesis H_0: There is no significant difference between process and system and organisational performance in the tourism sector.

Alternative Hypothesis H_1: There is a significant difference between process and system and organisational performance in the tourism sector.

Hypothesis 18.

Null Hypothesis H_0: There is no significant difference between continuous improvement and total quality management and organisational performance in the tourism sector.

Alternative Hypothesis H_1: There is a significant difference between continuous improvement and total quality management and organisational performance in the tourism sector.

Hypothesis 19.

Null Hypothesis H_0: There is no significant difference between knowledge management and organisational performance in the tourism sector.

Alternative Hypothesis H_1: There is a significant difference between knowledge management and organisational performance in the tourism sector.

Hypothesis 20.

Null Hypothesis H_0: There is no significant difference between independent variables and organisational performance in the tourism sector.

Alternative Hypothesis H_1: There is a significant difference between independent variables and organisational performance in the tourism sector.

Hypothesis 21.

Null Hypothesis H_0: There is no significant difference between organisational learning and organisational performance in the tourism sector.

Alternative Hypothesis H_1: There is a significant difference between organisational learning and organisational performance in the tourism sector.

1.6 Limitations of the Study

The study is conducted with the following limitations in the present research.

- There are many models for organisational learning study but the study followed mainly Peter Senge's and Catherine L. Wang and Pervaiz K. Ahmed 's models.
- Organisational learning is defined as the composite of collective learning, culture and metaphor, process and system, continuous improvement and total quality management and knowledge management only.
- Estimation of organisational performance is based on perceptual analysis only.

1.7 Organisation of the Study

This study has been broadly divided into five major chapters.

- Chapter first: It includes introduction containing background, conceptual framework, statement of the problem, objectives of the study, hypotheses, limitations of the study and organisation of the study.
- Chapter two: It includes review of literature containing conceptual review, conceptual development, components and process of organisational learning (OL) and review of related studies. It provides the theoretical platform for the analysis of the study.
- Chapter three: It incorporates research methodology and contains research design, sources of data, population and sampling, sample size, data collection instrument/ questionnaire, reliability test and techniques of analysis.
- Chapter Four: It contains presentation, interpretation and analysis of data which are the main body of the research. It contains introduction and defination of variables and detailed analyses on independent variable organisational learning (OL) viz. collective learning (CL), culture and metaphor (CM), process and system (PS), continuous improvement and total quality management (CITQM) and knowledge management (KM) affect dependent variable organisational performance (OP) of various enterprises. It also contains overall status of organisational learning (OL), overall status of organisational performance (OP), comparison between the total status of organisational learning (OL) and organisational performance (OP), test of hypotheses, relationships between OL and OP, relationships between OL and OP in the financial sector, relationships between OL and OP in the tourism sector and conclusion of this chapter.
- Chapter Five: Lastly, summary, conclusion and recommendations of the study are presented in this section. It includes summary, conclusion and some recommendations for future research.
- At the end bibliography and appendix are included.

CHAPTER – II

REVIEW OF LITERATURE

2.1 Conceptual Review

Review of literature helps the researchers to provide knowledge about the progress and development made by earlier researchers on the related field of study. This chapter is based on the related articles, journals, books, previous theses and studies.

The concept of organisational learning and learning organisation did not emerge until the 1980's but its principles are rooted into many perspectives of management (Garratt,1999), and its practices recognise a wide range of factors, such as organisation strategy, culture, structure, absorptive capacity, problem-solving ability, employee participation etc. determining the learning results. Organisational learning or learning organisations have come into sharp focus in organisational literature in the last few years, particularly, since the publication of Peter Senge's book The Fifth Discipline, in 1990.

Classical models of organisational learning assume that learning is motivated by a perceived discrepancy between aspirations and performance and that organisations will engage in learning when and only when this discrepancy is high (Cyert and March, 1963; Lant and Montgomery,1987). Yet a growing body of evidence suggests not surprisingly, that there is more to it, that differences in learning across organisations are not fully explained by aspiration discrepancies. Candidates for an enriched set of antecedents include group efficacy and perceptions of psychological safety (Edmondson, 1999), team composition and succession (Virany, Tushman and Romanelli, 1992), formal and informal incentives and mission statements (Ulrich, Jick and Von Glinow, 1993), the emergence of group and organisational norms (Hackman and Walton, 1986) and a group or organisation's approach to managing disappointments (McGrath, MacMillan and Tushman, 1992).

Organisational learning occurs when members of the organisation act as learning agents for the organisation, responding to changes in the internal and external

environments of the organisation by detecting and correcting errors in organisational theory-in-use and embedding the results of their inquiry in private images and shared maps of organisation (Argyris and Schon, 1978).

In recent years, an emerging area of theory and practice has become identified as the "knowledge-based view of the firm" (Kale et al., 2000; Grant, 1996; Nonaka, 1994; Kogut and Zander, 1992). Organisational knowledge is a resource that is critical for any firm to be successful. It is essential to a firm's ability to innovate and compete (Bollinger and Smith, 2001). A firm's knowledge should be identified as a strategic asset and managed in such a way that it contributes to the firm's performance and competitive position. Knowledge management includes a variety of activities for acquisition, organisation, dissemination and exploitation of knowledge to create added value to the firm (Gupta and Lalatendu, 2000). To develop added value, organisational learning is necessary. In essence, organisational learning encompasses individual learning but not exclusively (Pham and Swierczek, 2006).

Indeed, learning is a complex process, which can be viewed from different perspectives (Dodgson, 1993; Easterby-Smith, 1997). The literature on this topic has grown rapidly over the past few years. However, most contributions focus on the conceptual level to describe the impact of learning organisations (Easterby-Smith and Araujo, 1999). From the management view, a number of studies have attempted to identify factors that facilitate the organisational learning outcomes in a variety of organisations (Appelbaum and Reichart, 1998; Teare, 1998; Solingen et al., 2000; Stonehouse et al., 2001). The majority of the studies either employed a normative perspective or is based on a qualitative approach though a study in Vietnam uses qualitative approach (Easterby-Smith and Araujo, 1999).

All organisations learn, whether they consciously choose to or not- it is a fundamental requirement for their sustained existence. Some firms deliberately advance organisational learning, developing capabilities that are consistent with their objectives; others make no focused effort and, therefore, acquire habits that are counter-productive (Kim, 1993). Organisational learning can be viewed as a metaphor derived from the understanding of individual learning. In fact, according to Kim (1993), organisational

learning is ultimately derived from individual members. However, organisational learning is more complex and dynamic than a mere magnification of individual learning. The level of complexity increases from a single individual to a large collection of diverse individuals. Although the meaning of the term "learning" remains essentially the same, the learning process is qualitatively different at the organisational level.

Learning occurs when knowledge is processed and a range of potential behaviors changed (Huber, 1991). Organisational learning is a learning that occurs as knowledge is transformed from an individual to a collective level (Spender, 1996). Knowledge which is generated through double-loop learning supports a firm's ability to understand the consequences of past actions, respond to new environmental stimuli, and establish new mental models that override the existing ones (Argyris and Schon, 1978 and 1974). Solingen et al. (2000) argued that organisational learning encompasses different levels, such as, individual learning, team learning and organisational learning. In individual learning, each person takes responsibility for learning. In team learning, teams and work groups utilise the capability of each member for the benefit of all. Teams learn to share a common approach, supporting each other in individual learning objectives, and cooperating with other teams in the learning process. Individual learning becomes organisational learning when new knowledge is transferred across unit boundaries to others in the organisation that can benefit from what has been learned (Hamel, 1991). Mills and Friesen (1992) pointed out that an organisation learns through its members.

Organisational learning can be viewed as a cognitive process or as a result. When organisational learning is treated as a process, more attention is given to its dynamics, than whether learning results in positively valued outcomes. Nevis et al. (1995) proposed a three-stage model of a learning process which includes knowledge acquisition, knowledge sharing, and knowledge utilisation. Knowledge acquisition is the development or creation of skills, insights, relationships. Knowledge sharing is the dissemination of what has been learned. Knowledge utilisation is the integration of learning so it is broadly available and can be generalised to new situations. Knowledge and skill development takes place not only in the acquisition stage, but also in the sharing and utilisation stages. Organisational learning as a result, emphasises performance improvement. Organisational learning is directed towards creating "useful" knowledge for the organisation to achieve

organisational goals such as productivity or innovation through shared experience and reflection on practice (Easterby-Smith, 1997). Various proponents of the "learning organisation", such as Garvin (1993) and Senge (1990) also positively value learning. A learning organisation enables its members to create positively valued outcomes, such as innovation, efficiency and competitive advantage. The organisational learning process includes knowledge acquisition, sharing and utilisation. Knowledge acquisition or sharing doesn't directly lead to a measurable result, i.e. performance improvement. Organisational knowledge is only available for other individuals to acquire and utilise. Tangible outcomes can only be realised through knowledge utilisation. A supportive organisational climate facilitates the process of learning. Climate refers to a member's perceptions about the extent to which the organisation is satisfying to work in (Deshpande and Webster, 1989). In fact, organisational learning and organisational climate are very much related (Nevis et al., 1995).

Organisational learning is the result of specific strategies formed by the organisation to promote learning (Marquardt, 1996). It focuses on practices designed and implemented by organisations to promote learning as a strategy to manage change and competition (Bontis, 2002). Too complex to be viewed as just a combination of individual experiences, organisational learning encompasses the process of communication, sharing, and broad-based integration of new knowledge into organisational routines and systems (Bontis, 2002; Crossan et al., 1999). Further, Crossan et al. (1999) noted distinctions between individual, group, and organisational levels of learning, and considered the processes of intuition, interpretation, integration, and institutionalisation as a means to analyse interactions among these domains. More recently, the literature reflects the concept of organisational learning by incorporating the aspect of radical innovation and creativity and the need to essentially upgrade the concept to conform to the requirements of current industrial developments (Wang and Ahmed, 2003: 9). Organisational learning is the process of learning while the idea of "learning organisation" refers to a type of organisation rather than a process (Yeo, 2005: 369). A learning organisation may best be thought of as one that focuses on developing and using its information and knowledge capabilities in order to create higher-valued information and knowledge, to change behaviors, and to improve bottom-line results (King, 2001). A

learning organisation is continually expanding its capacity to create its future (Senge, 1990).

Learning organisation as a group of people who are continually enhancing their capabilities to create what they want to create has been deeply influential. It focuses on decentralising the role of leadership in organisations so as to enhance the capacity of all people to work productively toward common goals (Senge, 1990). A learning organisation is not enough to survive. Survival learning or what is more often termed "adaptive learning" is important - indeed it is necessary. But for a learning organisation, "adaptive learning" must be joined by "generative learning", learning that enhances our capacity to create' (Senge 1990). The dimension that distinguishes learning from more traditional organisations is the mastery of certain basic disciplines or 'component technologies'. Senge (1990) advanced the notion that learning organisations are guided by five disciplines namely systems thinking, personal mastery, mental models, building shared vision and team learning. He added to this recognition that people are agents, able to act upon the structures and systems of which they are a part. All the disciplines are concerned with a shift of mind from seeing parts to seeing wholes, from seeing people as helpless reactors to seeing them as active participants in shaping their reality, from reacting to the present to creating the future (Senge 1990).

Organisations learn only through individuals who learn; individual learning does not guarantee organisational learning, but without it no organisational learning occurs (Senge 1990). People with a high level of personal mastery live in a continual learning mode. Personal mastery is a process of a lifelong discipline entails developing personal vision, patience, holding creative tension (managing the gap between our vision and reality) and deeply self-confident. In organisational learning, consistency in purpose and attainment of goals can be enhanced through systems thinking. Systems thinking integrate the disciplines, fusing them into a coherent body of theory and practice and counteract to learning process (Senge 1990).

Learning is influenced by mental models which are deeply ingrained assumptions, generalisations, or even pictures and images that influence how people understand the world and how people take action. It also involves seeking to distribute business

responsibly far more widely while retaining coordination and control (Senge 1990). The entire organisation must learn and have common vision to translate them in practice. Building shared vision involves the skills of unearthing shared 'pictures of the future' that foster genuine commitment and enrolment rather than compliance. As people talk, the vision grows clearer. The sorts of mental models outlined above can significantly improve matters (Senge 1990). A vision has the power to be uplifting and to encourage experimentation and innovation. It can also foster a sense of the long-term. When there is a genuine vision, people excel and learn, not because they are told to, but because they want to. Shared vision helps to inspire employees with compelling, consistent, clear pictures of what they want and helps to distinguish between what needs to be changed and what remains the status quo. With shared vision, managing through a maze of conflicting interests in an organisation becomes easier and less stressful. Therefore, empowering people toward a collective vision is a key characteristic of organisational learning (Hoe, 2007).

Team learning occurs through the process of aligning and developing the capacities of a team to create the results its members truly desire (Senge 1990). It builds on personal mastery and shared vision. People need to be able to act together. When teams learn together, Peter Senge suggested, not only can there be good results for the organisation, members will grow more rapidly than could have occurred otherwise. Peter Senge (1990) argued that learning organisations require a new view of leadership. He saw the traditional view of leaders, as special people who set the direction, make key decisions and energise the troops as deriving from a deeply individualistic and non-systemic worldview, lack of personal vision. In a learning organisation, leaders are designers, stewards and teachers. They are responsible for building organisations where people continually expand their capabilities to understand complexity, clarify vision, and improve shared mental models. Organisation-wide learning involves change in culture and change in the most basic managerial practices, not just within a company, but within a whole system of management that when people start to create a learning environment, they will not feel as they are in control (Senge, 2001). Senge's theory on the learning organisation served as an impelling force for others interested in exploring organisational learning theory. Organisational learning always involves a relational context, which

people recursively shape, interpret and reinterpret as part of the learning process, overturns the notion that "learning" has a linear trajectory within a known context that is defined by managers and that functions as some outer container for action organisational learning as the emergent patterns of behaviour that result from changes in context (Tosey, 2008).

In contrast to the emphasis on organisational learning, marketing scholars have proposed that a market-oriented organisation will be able to outperform its competitors. Farrell (2000) found that a learning orientation positively effects organisational performance, while Farrell, Oczkowski and Kharabshen (2002 and 2008) found overall support that a market orientation has a stronger relationship with organisational performance than does a learning orientation. Later it suggested that as transfer of knowledge is seen a key component, a learning orientation may be required to enhance organisational learning. Inkpen and Beamish (1997) argued that foreign partners provide technology and capital. Vijande et al. (2005) found a positive relationship between a market orientation and organisational performance, but less effect for a learning orientation and organisational performance. Baker and Sinkula (1999) focused upon commitment to learning, open-mindedness, and shared vision. Indeed, Vijande et al. (2005: 198) stated that learning orientation is also capable of promoting another type of valuable organisational resource such as the development of long-term relationships with strategic clients. Gebhardt et al. (2006) suggested that OL involves several interdependent changes at the individual, group and organisation levels. Calantone et al. (2002) examined the effects of a learning orientation on firm innovation capability and firm performance, finding a positive relationship between learning orientation and firm performance. Calantone et al. (2002: 522) stated that learning orientation facilitates the generation of resources and skills essential for firm performance. Hence, a learning orientation is necessary to facilitate organisational learning.

Farrell, Oczkowski and Kharabshen (2008) emphasised that international joint ventures (IJVs) provide opportunities for foreign partners to access new markets through ''leveraging the local partners'' market knowledge and local networks (Simonin, 1999) thus reducing risk and increasing revenue (Julian and O'Cass, 2002). Kandemir and Hult (2005: 432) argued that an international joint venture (IJV) learns through the processing

of information and it is able to adapt a new organisational norms through the transfer of knowledge (Hedberg, 1981; Meyer, 1982) and develops new knowledge or insights that have potential to influence its behaviour (innovativeness culture, innovation capacity) (Fiol and Lyles, 1985; Huber, 1991; Slater and Narver, 1995).

A learning orientation enables a firm to perform better because it satisfies the four attributes posited by Barney (1991). First, a learning orientation is valuable because it allows the firm to exploit opportunities and/or neutralise threats in a firm's environment. A learning orientation enables a firm to more successfully understand the needs of customers better than its competitors (Day, 1994; Dickson, 1992; Sinkula, 1994). This should lead to superior outcomes, such as new product success, superior customer retention and superior growth and/or profitability (Slater and Narver, 1995). Secondly, a learning orientation is rare. Most firms seem capable of what Senge (1990) termed ''adaptive learning'' (learning within the traditional scope of the organisation's activities), there are fewer organisations that engage in generative learning (Senge, 1990). Kandemir and Hult (2005) and Wu and Cavusgil (2006) have emphasised the importance of a learning orientation as a platform to facilitate learning and organisational performance. It is argued that a learning orientation facilitates generative learning. Generative learning (Senge, 1990; double-loop learning in Argyris, 1977) occurs when the organisation is willing to question long held assumptions about its mission, customers, capabilities or strategy (Slater and Narver, 1995). According to Slater and Narver (1995), generative learning is more likely to lead to competitive advantage than adaptive learning. Baker and Sinkula (1999: 412) argued that adaptive learning is capable of facilitating incremental innovation, but it is not intrinsically capable of facilitating discontinuous innovation. Conversely, Baker and Sinkula (1999: 412) argued that a learning orientation directly affects a firm's ability to challenge old assumptions about the market and how a firm should be organised to address it. Thirdly, a learning orientation is imperfectly imitable, based on the premise that successful organisational learning is socially complex. However, as Barney (1991) stated that an organisational culture with certain attributes or quality relations among managers can improve a firm's efficiency and effectiveness, does not necessarily imply that firms without these attributes can engage in systematic efforts to create them. Finally, a learning orientation is a source

of sustained competitive advantage because it is not substitutable. That is, while competing firms may attempt to emulate the efforts of a learning oriented organisation, the complex nature of organisational learning means it is very difficult to create strategically equivalent valuable resources. However, as Barney (1991) and Farrell, Oczkowski and Kharabsheh (2008) pointed out that a resource which is rare, socially complex, and perfectly imitable, may still be a source of competitive advantage, even if a substitute exists. Superior organisational learning should lead to an advantage for the following reasons: ability to successfully understand customers and competitors and ability to engage in generative learning.

New concepts have entered the arena of workplace learning including "learning organisations" (Senge, 1990), "situated learning" and "communities of practice" (Lave and Wenger, 1991) "expansive learning" (Engestrom, 2001), "curriculum connectivity" (Guile and Griffiths, 2001), "workplace pedagogy" (Fuller and Unwin, 2002) "learning conducive work" (Skule and Reichborn, 2002), "everyday learning" (Boud and Solomon, 2003), and "learning networks" (Poell et al., 2000). Rather, work practices are more than activities in that they involve complex bundles of doings and sayings that change over time (Schatzki, 2006), and these changes involve learning.

Organisational learning is a concept used to describe certain types of activity that take place in an organisation while the learning organisation refers to a particular type of organisation in and of itself (Tsang, 1997; DiBella, 1995; Elkjaer, 1999; Finger and Burgin Brand, 1999; Lundberg, 1995). However, the definitions made to clarify organisational learning and learning organisation. The concept of organisational learning and learning organisation is excessively broad, encompassing merely all organisational change and from various other maladies that arise from insufficient agreement among those working in the area on its key concepts and problems (Cohen and Sproull, 1991). Similar criticism has been raised by many other authors such as Daft and Huber (1987), Huber (1991), Dodgson (1993), Garvin (1993), Hawkins (1994), Miller (1996) and Popper and Lipshitz (2000). Most of the definitions appear to be complementary rather than fundamentally original or conceptually different (Matlay, 2000). The influx of literature provides overwhelming, but unclear information to both researchers and practitioners. The prevailing concept of organisational learning and learning organisation

bears a strong bias towards the traditional scientific approach to management and stresses the importance of system thinking and continuous improvement. A few researchers have identified the limitations of the existing framework in current industrial contexts (Lorente et al., 1999; Kim and Mauborgne, 1999; Wang and Ahmed, 2001).

2.2 Conceptual Development

The concept of organisational learning formally appeared to have existed since the writings of March and Simon (1958), Cyert and March (1963) and Cangelosi and Dill (1965). A wide multitude of definitions and conceptions of organisational learning exists (Crossan et al., 1999; Edmonson and Moingeon, 1998), many of them more implicit than explicit, and many of them substantially different if not incompatible. As such, the field of organisational learning remains to a large extent fragmented, disconcerted and difficult to penetrate (Easterby-Smith, 1997; Easterby-Smith et al., 1998; Garvin, 1993). Theorists like Sadler-Smith et al. (1999) have openly criticised the field, and stated that the perspective taken in organisational learning is sometimes a normative one, which presupposed that something is wrong with organisations which do not conform to some ideal state rather than being based on trying to understand existing learning capabilities and orientations (Dibella et al., 1996). Huber (1991) pointed out in his review of organisational learning that learning can be characterised by adaptation to changing environment events, by flexibility and responsiveness, by change within the organisations. In many ways, organisational learning has become an umbrella concept that encompasses many topics in the study of organisations. On the academic side, though recent popular management journals presented learning as a source of competitive advantage, definitions and mechanism involved in achieving this advantage are not specified (Ghosal, 1987; Edmonson and Moingeon, 1998). They also noted the lack of empirical evidence to link learning with organisational performance and learning by organisations which is essential for the success of the organisations, while at the same time recognising the need to inspire further work in this promising new area of inquiry. It is often argued that organisational learning is concerned with collective capability and not merely with the capability of individuals in the organisation.

Organisational learning occurs when the individual members detect the discrepancy between actual and expected results and try to correct the errors or challenge the underlying assumptions. Organisational learning means the process of improving actions through better knowledge and understanding (Fiol and Lyles, 1985). Learning is concerning with the individual, group, inter-group and organisational levels. Learning is the process of linking, expanding and improving data, information, knowledge and wisdom that human beings use to design, invent, produce and evaluate their actions (Huber, 1991; Crossan et al., 1999). The learning organisation has an action orientation and is geared toward using specific diagnostic and evaluative methodological tools which can help to identify, promote and evaluate the quality of learning processes inside organisations (McGill et al., 1993; Nonaka, 1991; Senge, 1990; Ulrich et al., 1993). The main focus of the latter is on individual and group outcomes, including production, rewards, and tools and techniques such as "dialogue" and systems analysis. So, only the learning organisation is not found very sufficient to develop the organisation then the study of organisational learning process emerged. Research on organisational learning focuses on the issues of "how does an organisational learn?" (Tsang, 1997), or "what have an organisation learned"?

In the 1990s a social approach to learning has shown up in the organisational learning literature (Brown and Duguid, 1991; Cook and Yanow, 1993). There are two main differences between new organisational learning and old organisational learning. Firstly, the former perspective rejects both cognitive learning by individuals and by the organisation as an individual. Instead, the humans as social beings within a community of practice learn (Brown and Duguid, 1991; Lave and Wenger, 1991; Richter, 1998; Wenger, 1991). Thus, learning means participation, not acquisition of information. Neither the individuals nor the organisation as an individual learn. Instead, it is more correct to say that the collective learns. Secondly, while knowledge is storable in the perspective of old organisational learning, it is context and situation dependent in the new perspective of organisational learning (Lave and Wenger, 1991). Accordingly, knowledge cannot be stored without changes; in another situation the information will certainly have another meaning. In sum, the learning entity in the perspective of new organisational

learning is the collective i.e. humans as social beings. Knowledge is a situational process - knowing - and cannot be stored.

Learning is the process by which knowledge is created from experience and the path by which improvement takes place (Bohn, 1994; Fiol and Lyles, 1985). Learning is concerning with the individual, group, inter-group and organisational levels. Learning is the process of linking, expanding and improving data, information, knowledge and wisdom. Learning occurs whenever errors are detected and corrected or when a match between intentions and consequences is produced for the first time. There are at least two ways to correct errors. One is to change the behavior (reduce backbiting and bad-mouthing among individuals). This kind of correction requires only single-loop learning. In other word, these are responses to change in the environment without changing the core set of organisational norms. The second way to correct errors is to change the underlying programme or master programme that leads individuals to bad-mouth others even when they say they do not intend to do so. This is double-loop learning as responding to changes in the environment by changing the core set of organisational norms and assumptions (Argyris and Schon, 1978). In other words, single-loop learning is learning within a given framework and double-loop learning is learning by changing the framework (Argyris, 1976). Other researchers have discussed a third-order of learning.

According to Bateson (1972) and Berman (1981), second-order learning is learning about the context one learns within and third-order learning is learning of the contexts of those contexts. Berman (1981) also claimed that third-order learning is an experience in which a person suddenly realises the arbitrary nature of his or her own paradigm. They viewed third-order learning as moving toward a holistic worldview of ultimate truth. Mc Whinney (1992) viewed third-order learning differently, claiming that third-order learning occurs when one uses multiple realities to reframe one's own and others' experience in alternative frameworks. He argued that the multiple realities or meta-praxis will enrich understanding of a situation far greater than when only using a single framework of reality. There may even be a higher order of learning. Bateson (1972) suggested a fourth order of learning that involves evolutionary change in society. Harman (1988) argued that western society is currently undergoing a radical change in its

fundamental belief structure, which he termed a "global mind change". He believed people are shifting from a positivist metaphysic framework where one learns about reality from studying the measurable world to a more intuitive metaphysic framework focusing primarily of consciousness and spirituality.

A range of informal learning occurs in workplaces and illustrates the complexities of such learning. In a large organisation the range and diversity of communities of practice in which one may legitimately participated increases with seniority and therefore the range of opportunities for informal learning increases as do the types of learning. Informal learning has been characterised by several authors (Boud et. al., 1993; Marsick and Watkins, 1990). It is the learning that takes place outside the classroom. Marsick and Watkins (2001) model of informal learning depicted informal learning as a cycle. Since informal and incidental learning take place in a casual, sometimes-unconscious manner, it is easy for learning to be influenced by constraints, constructs or barriers (Cseh, 1998). Some directions that might be pursued in the analysis of workplace learning, the development of further conceptualisations that help illuminate the processes of learning at work is needed. Competencies refer to the collective learning, the diverse production skills and the integration of multiple streams of technologies that exist inside the organisation (Prahalad and Hamel, 1990). Others refer to firm competencies as the skills of employees that comprise the competency (King and Zeithaml, 2001; Leonard-Barton, 1995) and that employees must engage in behavior that executes the competency (Leonard-Barton, 1992). There are five levels of learning as simplistic-driven learning, structure-driven learning, efficiency-driven learning, value-driven learning and dynamic-driven learning.

Learning organisation refers to a particular type of organisation in and of itself (Tsang, 1997; DiBella, 1995; Elkjaer, 1999; Finger and Brand, 1999; Lundberg, 1995). Theories of the learning organisation assert that these organisational contexts can be shaped to improve learning, including informal and incidental learning (Watkins and Marsick, 1994; Senge, 1990). Watkins and Marsick (1994) stated that a learning organisation stimulates learning at all levels of the organisation, individual, team, organisation and society. Learning flows readily from peer to peer, within and between teams, up and down the organisation and between the organisation and the external

environment (Watkins and Marsick, 1994). Senge (1990) described organisations working together to achieve a shared vision. Within these organisations, learning takes place among individuals as they work towards that vision.

The idea of organisational learning is credited to creation of the action learning process (Revans, 1982), which uses small groups, rigorous collection of statistical data and the tapping of the group's positive emotional energies (Garratt, 1999). This technique is also reflected in Deming's quality control system (1986) using quality circles, SPC (statistical process control) and PDSA (plan-do-study-action). A few works contributed positively to open up the debate of organisational learning and subsequently the popularity of the concept. These include Argyris and Schon's (1978) double-loop learning notion, Senge's (1990), the fifth discipline and Pedler et al.'s (1991) learning company model. Today the concept of organisational learning has flourished and been defined in a wide range of literature.

2.3 Components and Process of Organisational Learning (OL)

Organisational learning occurs when individuals within an organisation experience a problematic situation and inquire into it on the organisational behalf. They experience a surprising mismatch between expected and actual results of action and respond to that mismatch through a process of thought and further action that leads them to modify their images of organisation or their understandings of organisational phenomena and to restructure their activities so as to bring outcomes and expectations into line, thereby changing organisational theory-in-use (Argyris and Schon, 1996).

Table No. 2.1 Identifying the Focuses of Organisational Learning

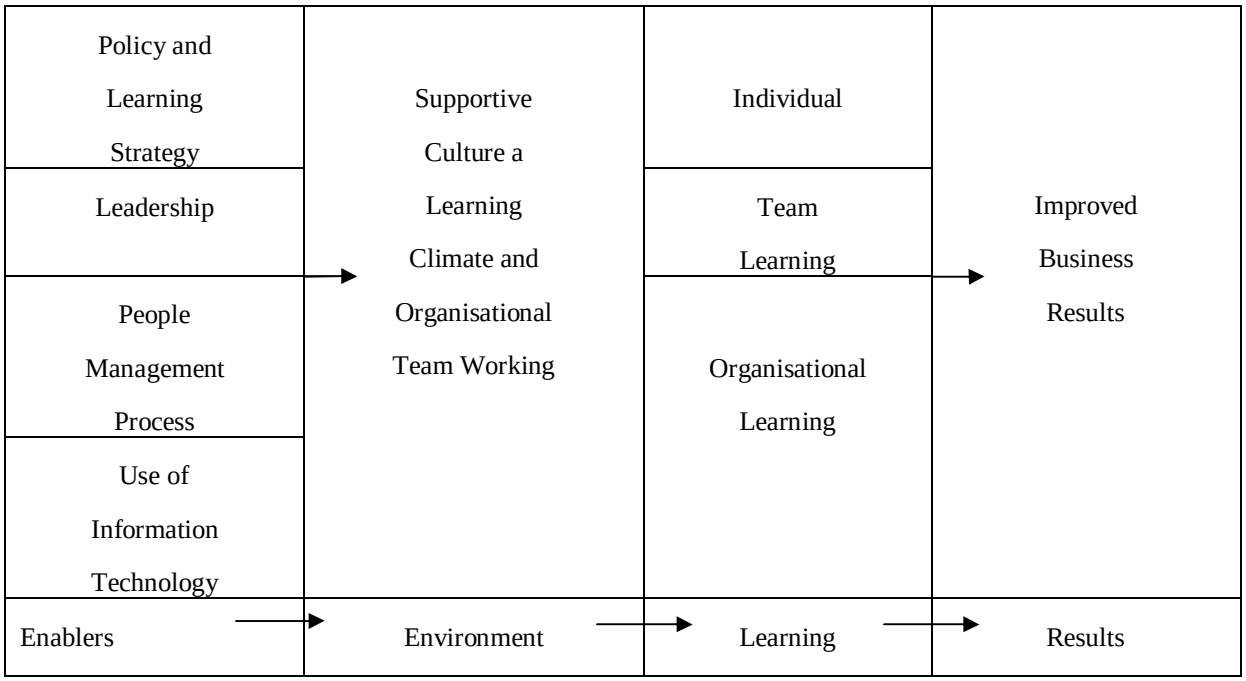
Focus	The Concept of Organisational Learning	Practices
Individual Learning	Organisational learning occurs when individuals within and organisation experience a problematic situation and inquire into it of the organisational behalf (Argyris and Schon, 1996)	Staff training and development
Process or System	Organisational learning is the process whereby organisations understand and manage their experiences (Glynn et al., 1992)	Enhancement of information processing and problem solving capability
Culture or Metaphor	A learning organisation should be viewed as a metaphor rather than a distinct type of structure, whose employees learn conscious communal processes for continually generating, retaining and leveraging individual and collective learning to improve performance of the organisational system in ways important to all stakeholders and by monitoring and improving performance (Drew and Smith, 1995)	Creation and maintenance of learning culture: Collaborative team working, employee empowerment and involvement, etc.
Knowledge Management	Organisational learning is the changes in the state of knowledge (Lyles, 1992, 1998). It involves knowledge acquisition, dissemination, refinement, creation and implementation; the ability to acquire diverse information and to share common understanding so that this knowledge can be exploited (Fiol,1994) and the ability to develop insights, knowledge and to associate among past and future activities (Fiol and Lyles, 1985)	Facilitation of interaction and strengthening of knowledge base
Continuous Improvement	A learning organisation should consciously and intentionally devote to the facilitation of individual learning in order to continuously transform the entire organisation and its context (Pedler et al., 1991)	The adoption of TQM practices

Source: Adapted from Catherine L. Wang and Pervaiz K. Ahmed (2003).

Organisational processes and structures can create or improve learning opportunities. These processes and structures are called organisation learning mechanism

(OLM). It facilitates the development, improvement and renewal of a learning organisation (Finger and Brand, 1999). These factors are to systematically collect, analyse, store, disseminate and use information that is relevant to the effectiveness of the organisation (Popper and Lipshitz, 1995). Gephart and Marsick (1996) identified organisational system as vision and strategy, leadership and management, culture, change management, systems and processes, communication, information and knowledge systems, performance management and support systems and technology. The implementation of organisational learning approaches depends on attitudes of middle management towards feedback mechanisms, Caemmerer and Wilson **(**2010).

Table No. 2.2 The Concept and Vision of the Learning Organisation



Source: Adapted from Andrew Mayo, BAA Pic., " Conference for Learning" (1996) .

Systems and processes reinforce the policy. Leadership behaviours that support learning are defined and used in appraisal, selection and promotion as encouraging views/ dissent, visibly a learner personally, collaborator/ sharer, listener, seeker and giver of feedback, defining and articulating a vision, courageous, risk taking, empowering, open-minded, experimenting, admitting mistakes conscious/ generous provider of learning opportunities. The environment should be supportive with knowledge freely shared,

people open-minded, free to question assumptions and to make mistakes without recrimination. Teams and working groups utilise the capability of each member for the benefit of all, they frequently learn and unlearn together, in order to share a common approach, they support each other in individual learning objectives, the organisation encourages cross-boundary groups, communities of common interest and internal and external networks in order to maximise sharing of learning and teams help other teams and learn from each other. Management has made a visible and clear commitment to consciously manage learning in the organisation, which is backed by policy and value statements (Huber, 1991).

The question of how organisations actually learn can be answered either from the individual or organisational level, depending on the unit of analysis and the research goal (Edmondson and Moingeon, 1998). Some dilemmas as – spoken language by management, insufficient levels of competence, insufficient proficiencies, inability to think, talk, see the same thing as management does, difficulties in telling the truth to managers, difficulties in telling the truth to their own flow-group and all employees do not want to take part in the firm's decision making etc. were found (Nonaka and Takeuchi, 1995; Crossan and Bontis, 1998).

It was in the 1980s that a few companies started realising the potential power of corporate learning for increasing organisational performance, competitiveness and success. It has been asserted that there is a need for organisations to learn faster and respond to the rapid change in the environment; otherwise, they simply will not survive (Heaton and Harung, 1999; Harung et al., 1999; Garratt, 1999). Owen (1991) went so far as to term learning the business of business. This is motivated by the belief that organisational learning results from the understanding of changes that occur in the external environment and then the adaptation of beliefs and behaviour that are compatible with those changes (Cherrington, 1991; Schein, 1999). According to Senge (1990), generative learning is a means of creating rather than coping, the latter being part of adaptive learning. In order to create appropriately, one needs to understand the systems and observe a shared vision. One of the main contributors of cognitive learning is Rogers (1969) who believes that such learning should give rise to insight. This is when links

between issues are understood and problems are solved creatively. The developmental process of organisational learning reveal that there is indeed a time factor associated with learning. It further suggests that learning is preparing the organisation for the future rather than meeting immediate needs. The appropriateness of the three learning stages, namely individual, team and organisational, suggest that, although they take place within organisations, their relationship is complex and dynamic. Hence, these stages should be integrative in their approach where learning is incorporated into the work processes. The factors influencing learning and two critical factors have been identified to motivate learning significantly. They are the strategic positioning of the organisation based on its vision and mission, and effective leadership in providing clear directions to achieve organisational goals. Finally, the fourth issue is concerned with the relationship between learning and performance, and the findings suggested that non-tangible performance outcomes such as employee attitude, motivation and commitment are essential cognitive and behavioral evidence of organisational learning (Yeo, 2002).

As a concept, organisational learning has been around for approximately fourty years (Cangelosi and Dill, 1965; Crossan et al., 1999) and, since the mid-1980s, has received an increasing amount of research attention (Bhatt and Zaveri, 2002). The reasons for this interest arise from recognition of the ability of OL to replenish stocks of knowledge in a dynamic and rapidly changing business landscape. Ching et al. (1992) have defined an organisation in terms of seven major functions, one of which encompasses individual learning and OL. Due to changes in technology and shifts in demand, Croasdell (2001) posited the necessity of rapid learning in organisations. In fact, the importance of OL is so highly recognised that many have begun to regard OL as a major antecedent of organisational success and survival (Achrol, 1991; Garvin, 1993; Slater and Narver, 1994; Ottoy et al., 1996).

Additional authors have contributed insights which, taken together, may be loosely referred to collectively as a cognitive-social understanding of OL. The OL model of Balbastre and Moreno-Luzon (2003) is an important complement to the conceptualisation provided by Ching et al. (1992). The Balbastre and Moreno-Luzon (2003) model of OL is the fusion and expansion of the Crossan et al. (1999) mental model processes and Kim's (1993) types of learning. The four processes are intuiting,

interpreting, integrating, and institutionalising occurring across three levels: individual, group, and organisational. The individual and group levels are further linked through integrating. Institutionalising occurs when the coordinated actions become part of organisational routines and processes (Crossan et al., 1999; Bennet and Tomblin, 2006).

The concept of organisational learning adopted is the one corresponding to the trend which links organisational learning to the capacity for change in the organisations, and to the way in which the latter manage their change processes (Garratt, 1987 and 1990; Bahlmann, 1990; Senge, 1990; Senge et al. 1994 and 1999; Pedler et al., 1991; Burgoyne et al., 1994; Swieringa and Wiersma, 1992; Watkins and Marsick, 1993; Redding and Catalanello, 1994). It differs clearly from the literature trend which puts an emphasis on knowledge management and which associates organisational learning capacity with the ability to create, acquire, transmit, retain, or use organisational knowledge. This trend is led by authors such as Amponsem (1991), Nonaka and Takeuchi (1995), Nonaka and Nishiguchi (2000), Nonaka and Teece (2001), Nonaka et al. (2003), Baets (1998), Von Krogh and Roos (1996), Von Krogh et al. (1998), Despres and Chauvel (2000) and Chauvel et al. (2003). In terms of organisational design, there are two characteristics in organisations with a high learning capacity defended. On the one hand, the creation of decentralised organisational contexts, with a wide distribution of power, in which the hierarchy of authority is replaced by self-organising networks (Swieringa and Wiersma, 1992; Watkins and Marsick, 1994; Pinchot and Pinchot, 1994). On the other hand, the prevalence of organisational structures with reduced hierarchy or "heterarchies" (Bahlmann, 1990; Hedlund, 1993 and 1994; Hedlund and Nonaka, 1993), and the prevalence also of adhocracies or project-based structures (Marquardt and Reynolds, 1994; Marquardt, 1996; Mayo and Lank, 1994; Probst and Buchel, 1997), or of partial adhocracies matrixes with an axis based on projects or "hypertext" structures (Nonaka and Takeuchi, 1995; Nonaka et al., 2003; Aramburu, Saenz and Rivera, 2006).

Organisational learning is considered to be one of the fundamental sources of competitive advantage within the context of strategic management. Theorists argue that in volatile environments the capacity to learn faster than competitors may be the only sustainable competitive advantage (De Geus, 1998; Stata, 1989). As innovation, change and organisational renewal become more critical bases of competitive advantage,

dynamic capabilities are likely to be seen as more important proprietary resources that sustain a given position (Hedlund, 1994). An organisation that dynamically deals with a changing environment should not only process information efficiently, but also create information and knowledge. Analysing the organisation in terms of its design and ability to process information constitutes an important approach to interpreting certain aspects of organisational activities (Nonaka et al., 1994). However, it can be argued that the organisation's interaction with its environment, together with the way it creates and distributes information and knowledge, are more important when it comes to building an active and dynamic understanding of the organisation (Nonaka, 1994). Thus, many authors consider learning to be a fundamental aspect of competitiveness and link it with knowledge acquisition and performance improvement. Research on organisational learning has been going on for over thirty years now, and has recently seen exponential growth (Crossan and Guatto, 1996; Cohen and Sproull, 1996; Easterby-Smith, 1997). However, a diversity of perspectives has been used to look at organisational learning issues. Economists tend to view learning either as simple quantifiable improvement in activities, or as some form of abstract and vaguely defined positive outcome. The management and business literature often equates learning with sustainable comparative efficiency, and the innovation literature usually sees it as promoting comparative innovative efficiency. These various literatures tend to examine the outcomes of learning, rather than delve into what learning actually is and how these outcomes are achieved. In contrast, it is a major concern of organisational theory and psychology to examine the processes of learning. Learning, in the sense used here, relates to firms and encompasses both processes and outcomes.

Organisational learning is a process whose goal is to improve the development of the organisation by means of new initiatives (technological, productive or commercial). This requires a move from simply putting more knowledge into databases to levering the many ways that knowledge can migrate into an organisation and impact business performance (Cross and Baird, 2000; Cavaleri, 2004). Another assumption is that learning is profoundly connected to the conditions in which it takes place. Learning theorists (Lave, 1988; Lave and Wenger, 1990) have rejected transfer models, which isolate knowledge from practice, and developed a view of learning as a social

construction, putting knowledge back into the contexts in which it has meaning (Brown and Duguid, 1991; Pea, 1990). From this perspective, learners can in one way or another be seen as building their understanding out of a wide range of materials that include ambient social and physical circumstances and the histories and social relations of the people involved. Organisational learning is not simply about whether individuals have learned something new (Huber, 1991), or whether the organisation is skilled at developing new products (Nonaka and Takeuchi, 1995), it needs to be applied to a strategic context (Crossan et al., 1999). To avoid uncoordinated action, individuals in an organisation must share some common knowledge structure that will result in each individual taking action that collectively will achieve strategic objectives (Mezias et al., 2001). And the last assumption is that the learning process has identifiable stages. Four different dimensions are as follows:

- Knowledge acquisition, through external sources or internal development.
- Distribution, by means of which knowledge is spread among the members of the organisation.
- Interpretation, in which individuals share and incorporate aspects of their knowledge, which are not common to all of them, achieving a shared understanding as well as coordination in decision-making.
- Organisational memory, which has the aim of storing knowledge for future use, either in organisational systems designed for this purpose or in the form of rules, procedures and other systems.

Most studies of organisational learning have been concerned with the acquisition of knowledge and, to a lesser extent, with the sharing or distribution of the acquired knowledge. Less is known about the assimilation process, the stage in which individual and group learning is embedded into the non-human aspects of the organisation, including systems, structures, procedures and strategy (Nevis et al., 1995). Organisational memory needs to be systematically investigated, particularly by those involved in improving organisational learning and decision-making. Generally, organisational memory is constituted through various places: systems of information processing, processes of execution and social systems. Organisational learning constitutes an idiosyncratic and complex capability difficult to imitate, replicate and transfer (Day,

1994; Slater, 1997). It results from the change and evolution through the specific history of each firm (path dependence). Moreover, learning depends not only on investment efforts, but also on the previously accumulated knowledge or experience (absorptive capacity). Furthermore, the learning process is intrinsically social and collective and occurs not only through the imitation and emulation of individuals, but also by collaboration and interaction in understanding complex problems. The knowledge generated in this way is translated into new models of activity, routines and logic in the organisation (Teece et al., 1997).

Organisational learning establishes a link between the organisation and the environment that encourages proactive rather than reactive behavior. The knowledge resulting from learning implies an improvement in response capacity through a broader understanding of the environment (Dodgson, 1993; Sinkula, 1994). The organisational learning process helps people discover why problems are seen in a one-dimensional framework, posing questions of the current systems, and challenging and questioning paradoxes as they occur (Murray and Donegan, 2003). Finally, because of their inherent flexibility, learning-oriented organisations are able to quickly reconfigure their architecture and reallocate their resources to focus on emergent opportunities or threats (Slater and Narver, 1995). With these considerations, learning, through better knowledge and understanding, facilitates behavior change that leads to improve performance (Simon, 1969; Fiol and Lyles, 1985; Senge, 1990; Garvin, 1993; Lei et al., 1999). Also, organisational learning is valuable to a firm's customers because it focuses on understanding and effectively satisfying their expressed and latent needs through new products, services and ways of doing business (Slater and Narver, 1995; Lukas et al., 1996). In order to assess organisational learning, it recognises the multidimensional character of learning and collects explicit information about the four dimensions of learning theoretically identified: acquisition, distribution, interpretation and organisational memory (Lopez, Peon and Ordas, 2005). According to Cummings and Worley (1997), organisational learning is a process aimed at helping organisations to develop and use knowledge to change and improve themselves continuously.

A number of studies (Petrash, 1996; Gupta and Govindarajan, 2000; Olivera, 2000) indicated that practicing knowledge sharing (KS) results in improved

organisational effectiveness. Moreover, Knapp (1998) proposed that knowledge assets concern all sectors of the economy. This suggests that the implementation of KS would find the costs in terms of time, effort and money which would be repaid in terms of overall organisational effectiveness. Consequently, owners would gain more assets in terms of knowledge that can improve business outcomes. Spinello (2000) claimed that organisational learning and knowledge sharing are intimately connected. The knowing process is composed of sharing, thinking and learning components that have a reciprocity relationship. Knowledge sharing enables managers to keep the individual learning flowing throughout the company and to integrate it for practical applications. In addition, people within an organisation, by way of sharing their thoughts, beliefs, knowledge and experience, mutually establish their common understandings. These practical applications and common understandings are organisational knowledge. This results not only in the enhancement of employees' capabilities, but also the contribution to overall organisational effectiveness and bottom-line profit. Hansen (2002) suggested that incomplete (partial) knowledge transfer might occur when intermediary channels are redundant since the quality of knowledge might be distorted, or less precise. No matter what individuals are apt to misunderstand, forget, filter, ignore or/and fail to pass on of the original content; nor whether this kind of withholding behavior is unintentional or deliberate, this consequently affects the overall organisational performance. This incomplete transferring of knowledge would incur knowledge depreciation or organisational forgetting (Argote, 1999). Argote (1999) said that knowledge depreciation, like the concept of currency depreciation, can be defined as knowledge losing its value. It usually occurs when first, employees quit a job without the transfer of their knowledge; second, existing organisational knowledge is obsolete (because the company temporarily loses its competitiveness); third, new creative products and services are rendered sub-standard by old know-how or unprofitable products; fourth, knowledge is incompletely transferred (or selective individual knowledge is shared and/or the sharing practices are only for some certain individuals); and fifth, organisational knowledge is difficult to access. This in turn would lead to disadvantage in organisational effectiveness and competitiveness.

For long-term success, organisations should be able to learn continuously, to leverage from the knowledge they capture, to apply it to reality and to increase innovative knowledge (Liedtka, 1999). The process of effective organisational learning, by way of sharing information and knowledge among organisational members, enables individuals and organisations to reflect on the consequences of their behaviors and actions, to obtain insights from an environment where they operate, to understand the environment, and hence to interpret the meaning and react to it in more accurate approaches (Jones et al., 2003). After the sharing and learning process takes place, individual values, beliefs and absorptive ability will influence the interpretation of information. This determines whether that information and knowledge is useful and valuable after the process of interpretation (Davenport and Prusak, 2000). In other words, after knowledge is collected from the learning and sharing, the outcome of creating new knowledge and using the knowledge will be different. Consequently, the issue of reinforcing individual absorptive ability needs to be dealt with (Yang, 2007).

Marquardt (1996) referred to culture as an organisation's values, beliefs, practices, rituals, and customs. The learning organisation's culture habitually learns and works to integrate processes in all organisational functions. In effect, the culture of a learning organisation is constantly evolving and travels along an infinite continuum in a harmonious learning environment. Ultimately, the goal is an exchange of useful knowledge leading to innovation, improved performance, and sustained competitiveness (Lopez et al., 2006). As noted, by Coutu (2002), there is a need to continue exploring culture as a dimension that facilitates and supports organisational learning.

Carleton (1997), Hoffman and Withers (1995) and Schein (1996) indicated that culture directly influences the quality of learning, interpretation of other's behaviors, and determination of subsequent behaviors. Schein (1985) called attention to culture that includes shared assumptions, values, and knowledge that promotes organisational learning. Sambrook (2005) synthesised findings from two research studies and pointed out culture also encompasses factors that can inhibit or influence workplace learning. Hence, there is a need for promoting a learning culture that is transformative and adaptable. Marsick and Watkins (2003) reinforced valuable learning occurs in the workplace on an informal basis. Yang (2003) revealed variances in dimensions of

learning organisation as explained by Marsick and Watkins (2003) and showed that culture explained two organisational outcome variables, knowledge and financial performance. These variables suggested an important potential relationship (Marsick and Watkins, 2003). Further, learning is enhanced by a climate and culture when leadership actively creates an environment where results are measured and rewarded (DiBella and Nevis, 1998; Marsick and Watkins, 2003; Preskill et al., 2001; Russ-Eft and Preskill, 2001; Yeung et al., 1999).

The need for the organisations to learn as holistic entities became more pronounced with the onslaught of globalisation, favouring organisational learning as a means of creating competitive advantage (Senge, 1990; Heracleous, 1995; Jackson et al., 2004). Even though the concept of learning, organisational learning and learning organisation (Shrivastava, 1983; Levitt and March, 1988; Huber, 1991; Gopinath, 1994; Miner and Mezias, 1996; Easterby-Smith, 1997; Edmonson and Moingeon, 1998; Tsang, 1997; Sharma, 2001; Sharma and Sharma, 2002) has been accepted, no common theory or model has emerged due to the divergence in the perception and approaches.

The development of organisational learning, though appearing to be of recent one, may not be actually so. Some authors maintained the theory about organisational learning and organisational theorists dated back to Taylor's introduction to repetitive tasks to improve productivity in the early 1900s (Ulrich et al., 1993). In most of the literature, it is the ability of people to act together that matters for organisational performance. The relationship between organisational learning and business results is built on a rather simple premise that better deployment and use of HR should correlate with higher business performance (Ulrich et al., 1993). Pfeffer (1994) asserted that HR capabilities are the pre-eminent organisational resource and the key to achieving outstanding performance. Huselid and Becker (1997) found that firm effectiveness is associated with HR capabilities and its attributes. In a recent research, Karami (2002) argued, unlike conventional assets, strategic HR, as an intellectual or organisational capital, is largely invisible and, can not appear on the firm's balance sheet (Tomer, 1987; Analoui, 1998). Such assets could only be found in a skilled, motivated and adaptable workforce, and in the HRM system that strategically develops and sustains it. Indeed, as intellectual capital has come to represent an increasing fraction of many firms' total assets, the strategic role

of the HRM system has also become more critical (Kakabadse et al., 1998), a source of organisational capabilities that allow firms to learn and capitalise on new opportunities.

In recent years, the rapid advancement of technology has been accelerating a global transformation of the competitive environment. This technological revolution signals the dawn of a new era. Thus, traditional organisational management is no longer considered an appropriate strategy in current competitive markets. Consequently, businesses must compete for their survival through continuous improvement and innovation. Leavy (1998) pointed out that businesses need innovation in order to obtain opportunities for survival in the modern competitive environment. Resistance to innovation is likely to result in a business collapse. Although globalisation has opened worldwide trade markets, which brings businesses opportunities that have never been seen before, this phenomenon also opens the door to numerous competitors in various industries. As a result, “employees” are no longer considered as “laborers” who only contribute their manpower and organisations can no longer effectively motivate their employees to achieve organisational objectives through “old-fashioned” reward systems. In this age of knowledge-based economies, qualified human resources are the key to business success. In order to improve the quality of human capital, the importance of human resource management (HRM) strategies cannot be ignored. Hence, how organisations establish mature HRM systems becomes an important issue in the contemporary business environment. Drucker (1993) stated that knowledge workers have become the most vital asset in the knowledge-based society. Drucker insisted that a knowledgeable administrative manager should know how to effectively distribute or allocate knowledge to maximise utility. In addition, Badaracco (1991a, b) as well as Nokana and Takeuchi (1995) contended that appropriate HRM is one of the critical factors for effective knowledge management (KM). In other words, successful corporate KM comes from the support of high-level management and the fundamental investment of human resource managers. The benefits of KM result from the combination of appropriate organisational culture and structure, as well as from the willingness of employees to create, share and apply knowledge. To deal with this issue, many studies have explored the critical success factors for implementing KM (Wong, 2005; Wei et al., 2006; Gottschalk, 2006). Current studies indicated that a number of organisations have

implemented organisational learning (OL) strategies (Lee and Gandolfi, 2007; Chen et al., 2006; Pai, 2006; Ju et al., 2005; Chen et al., 2005; Lee and Tsai, 2005) and have rolled out various professional training programs and KM programs with the goal of improving organisational performance (Choy et al., 2006; Davenport et al., 1998; Gold et al., 2001; Reus and Liu, 2004; Wickramasinghe, 2007). However, insufficient organisational infrastructure and inappropriate diffusion processes have decreased the value of KM and disappointed employees. Therefore, establishing a systematic organisational structure and fostering an organisational culture which promotes active information-sharing and ensures the circulation of knowledge sharing channels are critical issues that should be the focus of all modern organisations. According to Duncan and Weiss (1978), OL is concerned with developing knowledge related to the relationships among actions, consequences and the environment. In other words, the goal of OL is knowledge development. Therefore, Neilson (1997) considered OL as a continuous process of knowledge creation, acquisition and transformation. Kang et al. (2007) demonstrated that firms need to not only develop strategies based on core knowledge and capabilities but also must work towards acquiring, transferring, and integrating new knowledge, facilitating the process of OL in order to create the valuable human capital required to adapt to dynamic environments. OL has been considered as routine-based, history-dependent, and target-oriented (Levitt and March, 1988). Ju et al. (2006) also indicated that OL is difficult to achieve, especially for the sharing of tacit knowledge, and the key elements to enable learning are channels of communication. Learning in organisations is defined as a process that increases the actionable knowledge of the organisation and by which the members of the organisation can conduct activities for interpretation, comprehension and assimilation of tacit and explicit information (Ruiz-Mercader et al., 2006). Many researchers have also proposed some distinct measurement dimensions for OL, such as the work of Huber (1991) and Pace et al. (1998), based on Levitt and March's (1988) research to develop organisational learning profiles (OLP). Hanvanich et al. (2006) focused on learning orientation and organisational memory to provide a complete view of firms' learning characteristics. According to the above research, OL can be classified into four factors: information-sharing patterns, inquiry climate, learning practices and achievement mindset. Burke (1997) has developed an

agenda for organisational development professionals to have their client firms actualise the journey via expectations, performance feedback and reward systems. Thompson (1995) has further identified change champions as CEOs responsible for developing and actualising the change blueprint. Dovey (1997) has highlighted empowered work teams being critical in creating a learning culture. De Geus (1997) has identified four key characteristics of organisations achieving longevity and major changes required to support this. Cairns (1998) has further supported this finding by illuminating trends within the past year for organisations making the dramatic transition to a learning culture and finally a learning organisation.

Choi and Shepherd (2004) suggested that managerial capability can refer to a firm's skills, knowledge, and experiences, which are used to handle difficult and complex tasks in management and production. Knowledge management capacity has been recognised as a key factor for gaining and sustaining a competitive advantage (Corsoa et al., 2006; Rezgui, 2007). Jantunen (2005) recognised that knowledge-based assets and OL capabilities are critical for a firm's innovation activities. Knowledge is posited in an organisation as a strategic asset which can help the firm maintain its competitive ability in a turbulent environment. Du Plessis (2005) stated that KM is aimed at getting people to innovate, to collaborate, and to make correct decisions efficiently; in short, it is aimed at getting people to act by focusing on high-quality knowledge. A number of studies have applied different ways to measure OP (Wong and Wong, 2007; Prajogo et al., 2007; Prajogo, 2007; Moneva et al., 2007). Andersen (2006) stated that the concept of effectiveness is a ratio, implying that two entities are required when defining and measuring effectiveness (return on assets). He also argued that when effectiveness is conceptualised as a degree of goal attainment, that is, the achievement of profitability goals. Hanvanich et al. (2006) have developed an OP measurement model integrating overall firm performance and innovativeness to assess overall OP. HRM plays a pivotal role in facilitating OL, as proposed by many scholars (Kang et al., 2007; Minbaeva, 2005; Lopez et al., 2006). It also shows that HRM positively affects knowledge management capacity, which is supported by several studies (Shih and Chiang, 2005; Badaracco, 1991a, b; Nokana and Takeuchi, 1995). The study concludes that OL has a positive effect on KMC and OP (Currie and Kerrin, 2003; Ju et al., 2006; Zellmer-Bruhn and Gibson,

2006; Hanvanich et al., 2006; Ruiz-Mercader et al., 2006; Lin and Tseng, 2005; Lee and Lee, 2007; Bogner and Bansal, 2007).

The results indicated that HRM can only indirectly impact OP though OL and/or KMC, although HRM still has marginal positive effects on OP. This implies that all HRM policies or activities should be constructed to facilitate the activities of OL and/or KMC; otherwise the positive effects on OP cannot be achieved from the policies or activities of HRM alone. Thus, in order to enhance a firm's OL and KMC, the executives should focus on formulating effective OL and KMC polices and facilitate their implementation. For example, a reward system should be provided to motivate employees to devote themselves to OL and KM activities. Also it is imperative that employees (especially middle managers and line managers) engage in OL and KMC activities to enhance OP. A suitable HRM system is necessary to overcome organisation barriers for effective KM capacity to add value to the firm (Rezgui, 2007). There is a positive relationship between OL and KMC and a positive influence of KMC and OL on OP. The OL perspective is a critical issue in KM (Currie and Kerrin, 2003) and the interaction effects of human-oriented as well as system-oriented KM strategies and OL significantly impact KM capability (Ju et al., 2006). In addition, OL and KMC are direct sources for performance improvement (Zellmer-Bruhn and Gibson, 2006; Hanvanich et al., 2006; Ruiz-Mercader et al., 2006, Lin and Tseng, 2005; Bogner and Bansal, 2007; Lee and Lee, 2007). This implies that the establishment of KMC and facilitation of OL by leveraging a HRM system should be a critical success factor for firms. It is necessary to strengthen different strategic HRM capabilities in order to overcome obstacles within an organisation and facilitate OL (Garcia-Morales et al., 2006) in order to ultimately enhance OP. The foundation of the Watkins and Marsick studies (1996) are seven complementary action imperatives that identify the organisation's journey. The seven are: create continuous learning opportunities, promote inquiry and dialogue, encourage collaboration and team learning, establish systems to capture and share learning, empower people toward a collective vision, connect the organisation to its environment, and use leaders who model and support learning at the individual, team, and organisational levels. Their model emphasised key components in studying a learning organisation, they are systems level thinking, continuous learning; and managed

knowledge outcomes; these outcomes lead to improvement in the organisation's performance (Pool and Pool, Richard and Dauch, 2007).

Organisational learning is generally regarded as the process of exploration and solution of an organisation's problems (Barrett, 1995; Kock, 1999; Blackler and Seonaidh, 2000; Coopey and Burgoyne, 2000; Crossan and Berdrow, 2003). Through this process, an organisation unearths and detects errors, the teams of the organisation rebuild themselves by uniting their members with a shared vision, and the individuals of the teams, through continuous learning, bring insights and knowledge into their work (Bennett, 2001; Friedman, 2002). Organisational learning occurs at the level not only of organisations, but also of individuals and groups (teams) within them (Dutta and Crossan, 2005). Senge (1990: 12) defined organisational learning as the process through which managers seek to improve organisational members' desire and ability to understand and manage the organisation and its environment so that they can make decisions that continuously raise organisational effectiveness. Miller (1996: 486) added that organisational learning is the acquisition of new knowledge by actors who are able and willing to apply that knowledge in making decisions or influencing others in the organisation. In summary, organisational learning refers to the acquisition of knowledge skills for the enhancement of insight capability at the level of individual, team, and overall organisation. In many ways, organisational learning is a metaphor for understanding how organisations change, especially in the aspect of an organisation's culture (Watkins and Marsick, 1992; Preskill, 1994). Consequently, it is important to understand how organisations learn as well as how they change. Kovel-Jarboe (1996) commented that within a learning organisation, change is considered one of the organisation's normal ongoing characteristics, rather than as an event occurring outside of organisational routines.

2.4 Review of Related Studies

Several studies have been done concerning in the field of organisational learning in different countries. Among them some major studies of the articles are reviewed as follows:

N. Venkatraman and Vasudevan Ramanujam (1986) argued that OP is an indicator which can measure how well an enterprise achieves their own objectives. After reviewing ten different types of measurement, they generalised the results into three dimensions: financial performance, business performance and organisation effectiveness.

The study of Peter Michael Senge (1990) concentrated on generative learning that enables the organisational system in place to be questioned, acting ahead of changes and not solely adapting to them. The research showed a predisposition to openness provides room for new viewpoints, allowing a constant renewal and improvement of individual knowledge. It stated that, by helping to integrate knowledge acquired individually, team learning contributes towards creating a collective corpus of knowledge that is submerged in the organisational culture, the work routines and processes, and other elements making up the organisational memory so as transfer implies the internal dissemination of knowledge, mainly through conversations and interactions among individuals. According to the research, a learning organisation is viewed as one where people continuously 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 how to learn together. It highlights the importance of personal mastery, mental models, shared vision, team learning, system thinking leadership and processes: intuiting and interpreting and integrating at the group level; and integrating and institutionalising at the organisational level.

Dave (David Olson) Ulrich, Todd Jick and Mary Ann Von Glinow (1993) found the relationship between organisational learning and business results correlate with higher business performance, that organisational learning is the key to success in all the areas of organisational performance. The outcomes of leadership and HR are the capabilities that an organisation possesses, which deliver value to customers, investors, and communities. It argues that the ability to generate and generalise ideas with impact is an important evolution of the learning organisation concept. It suggests that the manager can build learning capability and instill an intellectual and emotional commitment to learning among their staff.

Chris Argyris (1995) described how individuals hold theories which govern their actions and how these theories unintentionally create organisational defensive routines and inhibit learning. Presents an action science approach whereby consultant researchers can help individuals see their taken-for-granted theories, test them and then redesign their action in the light of their learning.

John T. Delaney and Mark A. Huselid (1996) developed a structure with two factors for measuring market performance: market share and profit ratio. Mark A. Huselid, Susan E. Jackson and Randall S. Schuler (1997) also proposed a more complete set of dimensions for human resource performance. HRM practice is a development for human resources field and enhances OP. The development of reliable and valid measures of HRM systems enhances firm performance. There is a positive association between human resource management practices such as training and staffing and firm performance. It evaluated that high performance work practices and firm performance. There is significant impact on both intermediate employee outcomes (turnover and productivity) and short and long term measures of corporate financial performance. The impact of high performance work practices on firm performance is in part contingent on their interrelationships and links with competitive strategy was limited. It showed the impact of overall HRM quality on firm performance. They develop the argument that HRM effectiveness, which includes the delivery of high-quality technical and strategic HRM activities, will be reflected in valued firm-level outcomes. They then asserted that HRM staff capabilities will have a significant impact on the effective management of firms' human capital.

Yoram Mitki, A. B. Shani and Zvi Meiri (1997) discussed a number of issues arising for those interested in advancing system-wide learning. The discussion addressed the relationship between organisational learning and business strategy, prior experience with change efforts and continuous improvement, the role of organisational learning mechanisms in fostering continuous improvement, the dynamic interplay between learning mechanism and structural inertia, and the relationship between organisational learning mechanisms and organisational performance.

J. Denton (1998) suggested that the level of organisational learning in the organisations is going to be one of the important criteria for determining their growth and success. Global firms' policies are based on the institutional environment of the foreign countries, so to develop a common model is a difficult task and lastly, organisational performance is a result of number of factors, even the strongest proponents of organisational learning would not claim that it is the key to success in all the areas of organisational performance.

Miklos Sarvary (1999) demonstrated that KM is a business process wherein firms create and use their institutional or collective knowledge. It includes three sub-processes: OL, knowledge production, and knowledge distribution – the process that allows members of the organisation to access and use the collective knowledge of the firm.

K.K. Lim, P. K. Ahmed and M. Zairi (1999) suggested four steps to integrate KM into the organisation's quality strategy: capturing or creating knowledge (plan), sharing knowledge (do), measuring the effects (check) and learning and improving (act). According to the above research, KMC can be classified into three factors including learning and improving, sharing knowledge, and creating and capturing knowledge.

Steven H. Appelbaum and John Gallagher (2000) aimed to understand how training and communication help an organisation to learn and gain a competitive advantage. It explored the link between training, communication and measurement with individual and organisational learning by conducting a specific qualitative analysis looking for insights into how the concepts sometimes work and how they fail. It also touches on the general themes that have shaken management and employees over the last fifteen years as they struggle to survive and prosper in the global village, and compares this concept with ideas that have been prevalent in organisations since the early 1970s. This research has examined empirical as well as the applied research from thirty sources of data dealing with learning organisations and how they gain competitive advantage by extracting core theories often found in and linked with training, communications, measurement and organisational learning. There is no single methodology or route to automatically transform a traditional firm into a learning organisation. The journey is

often the method required to become a learning organisation. Many theorists have contributed their perspective and expertise to this novel journey.

As S. Kaiser (2000) has noted, the organisational learning literature is 'startling unclear' about how learning organisation cultures improve critical organisational outcomes. The results of this study are particularly interesting because they suggest, first, that the values and beliefs associated with learning organisation culture can indeed influence organisational innovation. Second, the results suggested that learning organisational culture can influence specific manifestations of psychological climate in the form of individual efficacy beliefs, attitudes about change, and effort-outcome and performance-outcome expectancies. Evidence emerged indicating that supportive learning transfer climates are consistent with organisational cultures that believe in and value learning as an adaptive strategy. Finally, this study demonstrated the value of using both culture and climate in conjunction in trying to understand organisational innovation. Examination of both of these organisational elements (learning culture and transfer climate) provided insight into what may be needed to foster the kind of inquiry, dialogue, risk taking and experimentation that is essential for organisational innovation and adaptation.

G.R. Jones (2000) emphasised on the basis of his research the importance of organisational learning for performance, showing it as a process by which managers try to increase employees' capabilities in order to better understand and manage the organisation and its environment, to accept decisions that increase organisational performance on a continuous basis.

Ian Chaston, Beryl Badger and Eugene Sadler- Smith (2001) identified that the entrepreneurial firms do utilise higher-order learning and are able to manage information more effectively than non-entrepreneurial firms. Some evidence was found to support the view that higher-order learning influences certain managerial competencies.

Gary F. Templeton, Bruce R. Lewis and Charles A. Snyder (2002) found organisational learning (OL) offers the possibility of affecting organisational outcomes, including competitive advantage and knowledge and technology exploitation. The concept of OL is receiving an increasing amount of attention in the research and practice

of management information systems (MIS) due to its potential for affecting organisational outcomes, including control and intelligence, competitive advantage, and the exploitation of knowledge and technology. As such, further development of the salient issues related to OL is warranted, especially measurement of the construct. Based on a domain definition grounded in the literature, this research represents the initial work in developing an empirically reliable and valid measure of organisational learning. The rigorous method utilised in the derivation of this measure, which integrates two methodological frameworks for instrument development, is the main strength of this work. The empirically derived factors are awareness, communication, performance assessment, intellectual cultivation, environmental adaptability, social learning, intellectual capital management, and organisational grafting. MIS function managers can use these factors to gauge organisational or subunit success in the creation and diffusion of new applications of information technology.

Roland Yeo (2002) explained the developmental process of organisational learning is preparing the organisation for the future rather than meeting immediate needs. The three learning stages, namely individual, team and organisational suggest that there should be integrative in their approach where learning is incorporated into the work processes. They are the strategic positioning of the organisation based on its vision and mission, and effective leadership in providing clear directions to achieve organisational goals.

The study of Catherine L. Wang and Pervaiz K. Ahmed (2003) identified five focuses of the concept and practices within the existing literature, namely, focus on collectivity of individual learning; process and system; culture and metaphor; continuous improvement and quality management and knowledge management.

Peter Murray (2003) determined the relationship between the creation of competencies and the quality of learning. The results indicated that large contractors are short term focused and see little worth in developing management competencies that will produce above average returns in the long run. The research identified that three of the four competencies had significant influence on short term project performance at different levels of learning. It showed that most of the learning routine is practiced and

that an organisation requires more organisation competencies (practices, systems, processes) in place to progress behavioural routines to more advanced learning levels. This research suggested that there should be a greater impact on firm performance at higher learning levels. The results found that firm performance was indeed influenced by higher level learning routines but not with abundant evidences.

Anona Armstrong and Patrick Foley (2003) identified four facilitating mechanisms: the learning environment, identifying learning and development needs, meeting learning and development needs and applying learning in the workplace. Factor analysis of the learning environment questionnaire identified twelve scales that supported the structural hypotheses, eleven of which had minimum reliability coefficients of 0.70 and above. This research provided an instrument for systematically measuring and monitoring progress towards achieving a learning organisation.

J. Bhatnagar and A. Sharma (2004) found that firm's financial turnover was found to be a significant predictor of OL. Improving performance especially human at all levels will lead to improvement at the organisational level.

S. Jackson, M. Hitt and A. DeNisi (2004) showed that the assessment of performance has been almost exclusively at the level of individual or team, little attention has been paid to the processes and structures by which individual or team level performance could be translated to organisational level performance.

Jorgen A. Jensen (2004) suggested organisational learning has positive relation with mental models, learning and performance. The quality of thinking and acting correlates positively with the quality of performance.

S. P. Lopez, J. M. M. Peon and C. J. V. Ordas (2004) showed the recognition and strategic imperative of Knowledge, increasing its complexity and rapid change in modern organisations that KM is still in a formative stage with differences in terminologies, emphases, and boundaries and KM is difficult due to the number of approaches and disciplines.

Reid Bates and Samer Khasawneh (2005) examined the relationship between organisational learning culture, learning transfer climate, and organisational innovation.

The objective was to test the ability of learning organisation culture to account for variance in learning transfer climate and subsequent organisational innovation, and to examine the role of learning transfer climate as a mediator between learning organisation culture and innovation. Results showed that organisational learning culture predicted learning transfer climate, and both these factors accounted for significant variance in organisational innovation. Analysis of regression diagnostics following a process described by Reid Bates et al. (1999) did not reveal any serious violations of regression assumptions, multicollinearity, or the presence of influential observations. Findings indicated that organisational learning culture can predict learning transfer climates, and that both of these factors can account for significant variance in the perceived innovative capacity of an organisation. The results of this study are important for several reasons. The study extends what is known about organisational learning culture and its link to organisational outcomes. Although proponents of learning organisations have suggested that learning-oriented cultures can substantially influence organisational effectiveness, very little research has addressed this issue.

Maxim Voronov and Lyle Yorks (2005) examined that the organisational learning and knowledge management have brought crucial novel insights into the field of strategic management. It argues that failing to grasp thoroughly the influence of power on the strategy making process can severely inhibit the potential of strategy making as a vehicle of organisational learning.

Susana Perez Lopez, Jose Manuel Montes Peon and Camilo Jose Vazquez Ordas (2005) observed that, with the decline of some well-established firms, the diminishing competitive power of many companies in an increasingly globalised market and the need for organisational renewal and transformation, interest in organisational learning has grown. Senior managers in many organisations are convinced of the importance of improving learning in their organisations. The results showed a positive relationship between innovation and competitiveness and economic/financial results and clarified the concept of organisational learning and established the relationship between it and business performance.

Aradhana Khandekar and Anuradha Sharma (2005) showed that there is a positive relationship between OL, Strategic HRM and sustainable competitive advantage. It recommends that work-based learning strategies and HR interventions involving people can help in developing strategic capabilities for sustainable competitive advantage. It analyses the role of organisational learning and strategic human resource management (HRM) in sustainable competitive advantage.

Aradhana Khandekar and Anuradha Sharma (2006) showed that the role of organisational learning is increasingly becoming crucial for organisational performance. Based on the study of three Indian global firms operating in National Capital Region of Delhi, India, this study explored the correlation of organisational learning with organisational performance in the Indian scenario. The paper found that the organisational learning, which largely gets reflected through HRM activities, has a positive correlation with organisational performance.

Roland K. Yeo (2006) explained that the integration of the three levels of learning is understandably complex and volatile, however, conscious efforts put in to systematically promote continuous learning within an organisation involving changes in systems, structure and strategy have proven to be worthwhile by many organisations worldwide. Learning these days has to be based on a need basis. There is so much to be learnt as technology is advancing at a pace which is almost uncontrollable. What was applicable yesterday may be obsolete today. Employees therefore should be in-tune with what the organisation is doing and where it is heading.

Ivo De Loo (2006) emphasised that when action learning programs are built around singular learning experiences, it can be questioned that organisational learning may materialise. This may be overcome by using action learning as a form of management control.

Nekane Aramburu, Josune Saenz and Olga Rivera (2006) obtained that the characteristics of the management system of a company (the strategy formulation process and organisational design) do not condition the learning level that can be attained as a result of an experience of concrete change. However, it is true that companies which have experienced changes in which a high level of learning has been achieved have adapted

their management systems more according to what theorists deem appropriate to help future learning.

Ngoc Thuy Pham and Fredric William Swierczek (2006) deduced that the impact of leadership commitment is significantly related to both performance and organisational climate. Incentives are only positively correlated with performance and staff interaction is only positive with organisational climate. The results showed that each of these factors has a different role and also found a positive impact on the organisational learning process and outcome.

Siu Loon Hoe (2006) found that the managers who wish to enhance organisational learning should focus on employees and design knowledge process and technology around them to support their knowledge activities. It adds the necessity of strengthening employees' capabilities in order to overcome obstacles within an organisation and facilitate OL in order to enhance OP**.**

Liz Falconer (2006) introduced and developed the argument that e-learning technologies and techniques can play a pivotal role in encouraging and facilitating organisational learning, by transforming tacit knowledge into explicit knowledge and diffusing it throughout the organisation. Topics of reflection, independence, creation of "safe" learning spaces and the importance of collaboration in learning are demonstrated as being some of the most synergistic issues.

Taina Savolainen and Arto Haikonen (2007) suggested that the learning process is characterised by measurement, detection and correction of errors, and cost reduction and continuous improvement occurs through these procedural practices which form a structure for sustaining learning. It examined the dynamics of organisational learning and continuous improvement (CI) in the context of six sigma implementation in business organisations operating in multicultural environments.

Steven Pool, Brian Pool, Richard E. and Sandra J. Dauch (2007) investigated the nature of organisational commitment and the impact on executive's motivational level in providing job satisfaction within a learning organisation. It indicates that there is a goodness-of-fit for the research model. It explained that organisational commitment is a significant attribute in the management development model. Management development

specialists recognised the dynamics of organisational commitment and its linkage with motivation and job satisfaction in a learning organisation. By this, employees are encouraged to use new behaviors and operation processes within the learning organisation.

Kuan-Nien Chen (2007) investigated the nature of organisational learning within Taiwanese Institute of Technology academic libraries, and in particular the nature of the relationship between the institutional evaluation of those libraries by the Ministry of Education and the responses of the libraries. The results of this study showed that few libraries seem to be achieving what might be considered an adequate level of organisational learning, largely it seems because of internal barriers and structural problems with how the evaluation is implemented.

Y. C. Lee and S. K. Lee (2007) found that OP measures strongly influence the behavior of managers and employees, and that methods of OP measurement in KM can be categorised into four sections: financial measures, intellectual capital, tangible and intangible benefits, and a balance scorecard.

Jen-te Yang (2007) identified the relationship between organisational learning and knowledge management. It facilitates the transformation of collective individual knowledge to organisational knowledge appreciation (explicit and implicit intellectual capital) and enhances the outcomes of organisational learning which can positively influence and significantly contribute to the enrichment of organisational effectiveness as assets. Knowledge sharing enables managers to keep the individual learning flowing throughout the company and to integrate it for practical applications.

Siu Loon Hoe (2007) showed that shared vision has significant impact on OL. In other words, shared vision is very important for organisational learning because it provides the focus and energy for learning to take place. It further showed that knowledge sharing and organisational learning affect organisational effectiveness.

Joan Marques (2007) interpreted that the members of the team should be cross-functional and they should derive from various departments and position levels throughout the organisation and they should all be advocates of organisational learning and consequently geared toward change and increasingly today's organisational leaders

become aware of the necessity of promoting the habit of learning among workers at all levels in their organisation.

Carroll M. Graham and Fredrick Muyia Nafukho (2007) explored that leadership provides an environment emphasising specific elements embodied within a learning-oriented culture, knowledge management and improved financial performance are likely outcomes. The findings suggested that learning-oriented cultures can substantially influence organisational effectiveness. Organisational learning cultures create learning transfer climates that can enhance and facilitate innovation and adaptation in organisations. Moderate effect on employee perception toward the dimension of culture in enhancing organisational learning is also established. It determined the relationship between four independent variables educational level, longevity, type of enterprise, and gender and the dependent variable culture, as a dimension that explains organisational learning readiness in enterprises.

Chin-Yen Lin and Tsung-Hsien Kuo (2007) proposed a conceptual structural equation model to investigate the relationships among human resource management (HRM), organisational learning (OL), knowledge management capability (KMC) and organisational performance (OP) and to demonstrate the direct and indirect effect of HRM on OP from the perspectives of KMC and OL. The results showed that HRM has a direct and significant impact on OL and KMC. HRM influences OP indirectly through OL and KMC. In addition, OL and KMC have direct and significant influences on OP.

Peter Trim and Yang-Im Lee (2007) stated that organisational learning is influential with respect to facilitating the development of an organisation's value system and ultimately its culture. During periods of growth, the internal organisational pressures need to be kept in balance with the pressures exerted by external market forces while managing change in an incremental and planned form.

Alex Bennet and David Bennet (2007) aimed to build up the unique relationship between stories and organisations to explore the use of stories as strategy and strategy as stories. Stories may be used as a specific strategy themselves, in support of a particular strategy, as part of a generic strategy of learning as one goes, or to jump-start a new

strategy. It offered new ways to strategically engage the use of stories as strategies for knowledge transfer and organisational learning.

Mark Anthony Farrell, Edward Oczkowski and Radwan Kharabsheh (2008) suggested that organisational learning facilitates organisational performance in joint ventures enterprises in Australia.

Ronald K. Yeo (2008) revealed that learning cannot be said to have taken effect unless there is some form of change in the way employees handle daily problems and defensive routines. Being cutting-edge in product and process requires strong leadership to follow through a strategic purpose by facilitating complex learning experiences. OL is the facilitation of shared vision through the creation of interacting systems initiated by leaders who will walk and talk.

Vanessa Ratten (2008) pointed that, to have a strong learning orientation, an organisation needs to have a managerial structure that supports and incorporates organisational members in the learning process.

Hsiu-Fen Lin (2008) examined innovation characteristics and organisational learning capabilities as the determinants of e-business implementation success. The results showed that two innovation characteristics (perceived relative advantage and compatibility) and four organisational learning capabilities (managerial commitment, systems orientation, knowledge acquisition, and knowledge dissemination) have a significant effect on e-business implementation success.

Grant Keeble Kululanga and Witness Shaibu Kuotcha (2008) explored the development of a structured tool for measuring the constructs of the project review process in order to ensure organisational learning.

Richard Dealtry (2009) examined the successful design and management of high performance work-based lifelong learning processes. The research showed that innovations in lifelong learning process design and development are restricted by traditional pedagogical thinking and administrative practices, an over emphasis on e-learning and insufficient consideration of the holistic contextual factors. Design solutions are dynamically based on the idea of a timeless organic order or meta-planning.

David Higgins (2009) suggested that a social process perspective offers a means of engaging the SME enterprise in more effective knowledge creating activities, and fostering innovation, which is both relevant and useful to them. It suggests that knowledge in the SME enterprise is embodied as evident in such notions as tacit knowing and learning, and embedded grounded in the situated social historic contexts of individual lives and work. This supports the view that the nature of knowledge is inherently indeterminate and continually evolving.

Judy Oliver (2009) observed that continuous improvement is recognised as an important aspect of organisational development in Australia. It indicates that the organisations have embedded quality into the culture of the organisation, and have developed performance measurement systems as an organisational learning mechanism to support the continuous improvement initiatives.

Peter A. Murray, Jawad Syed and Zeynep Roberts (2009) identified the patterns of integration among individuals and groups seem to be well represented, reflecting higher-level learning routines. The purpose of this research is to understand why structures of learning underpin the creation of competencies that allow firms to compete more successfully in dynamic markets. The paper seeks to challenge the idea that, in the absence of learning, capabilities are the main source of competitive advantage. The study illustrated that a number of dynamic learning routines are not evident in the sales environments of dynamic markets. The findings suggested that firms are not well placed to renew routines from inside-out and to respond to market dynamics. The patterns of integration among individuals and groups, however, seem to be well represented, reflecting higher-level learning routines.

Mark G. Edwards (2009) indicated that the growth, learning and sustainability paradoxes present a number of challenges to organisational learning capacities that can be usefully discussed within a metatheoretical context.

Ronald Zallocco, Ellen Bolman Pullins and Michael L. Mallin (2009) identified the gaps in between organisational learning (OL) and organisational performance (OP).

Yen-Tsung Huang and Wenyi Chu (2010) suggested that suppliers with a high learning intent are able to facilitate inter-organisational and intra-organisational learning to enhance their product development capabilities.

Aurel Brudan (2010) explored performance management as a discipline and presented as potential catalysts to accelerate systems thinking, learning and integration. An integrated performance management model is also proposed.

Hermine Scheeres, Nicky Solomon, David Boud and Donn Rooney (2010) examined the use of learning through integrated development practices. These are common organisational practices that both enhance organisational effectiveness and contribute to organisational and employee learning. Learning was fully embedded as an accepted part of a necessary function of the organisation. Learning and the identity of being a learner were sometimes resisted in the everyday culture of work.

Jose Angel Lopez Sanchez, Maria Leticia Santos Vijande and Juan Antonio Trespalacios Gutierrez (2010) demonstrated that the manufacturer's organisational learning is a direct and positive antecedent of customer value creation capability, understood from a functionalist perspective. It is also confirmed that this organisational learning directly enhances the manufacturer's business performance.

Barbara Caemmerer and Alan Wilson **(**2010) found that organisational learning in relation to service improvement is influenced by the interplay between the way data are gathered through customer feedback mechanisms and implemented at a branch or business unit level. The implementation depends on attitudes of middle management towards such mechanisms.

Juhaini Jabar, Claudine Soosay and Ricardo Santa (2011) examined the influence of organisational learning (comprising absorptive capacity, nature and type of alliances and learning environment) through strategic technology alliances on technology transfer and new product development. The research is based on a larger research on alliances in the Malaysian manufacturing industry. The findings depicted that absorptive capacity, nature and type of alliances and learning environment significantly affect technology transfer in Malaysian manufacturers, but not necessarily new product development simultaneously. Nevertheless, the results establish technology transfer as an effective

means for building innovative capabilities in developing new products. This is imperative for attaining Malaysia's current goal in improving the manufacturing industry and becoming an industrialised nation by the year 2020.

Olaf Timmermans, Roland Van Linge, Peter Van Petegem, Monique Elseviers and Joke Denekens (2011) explored team learning activities in nursing teams to test the effect of team composition on team learning, to extend conceptually an initial model of team learning and to examine empirically a new model of ambidextrous team learning in nursing. Principal component analyses of the team learning activities scale revealed a five-factor model, explaining 78 percent of the variance on the team-learning scale. Being a nursing team in a community hospital, having high team longevity, and having a high percentage of female nurses explained 33 percent of team learning.

Kit Fai Pun and Marcia Nathai Balkissoon **(**2011) reviewed the concepts and constructs of some common models and frameworks advocated for knowledge management (KM) and organisational learning (OL) in literature. It sets forth a critical enquiry towards the integration of KM and OL practices and their relationship with the concepts of the learning organisation (LO) and chaordic organisation/enterprise (CO/CE). Many researchers and practitioners have been attempting to integrate the theories of KM and OL into organisational practice. A considerable number of them are concerned largely with information systems and technology. Conceptual knowledge transfer, knowledge acquisition and creation, and learning models underlie much of the work being done in the field. Some studies have forwarded the call for systems integration and organisational effectiveness. Systems approaches, culture, and the LO and CO/CE concepts are among the most popularly cited factors for the development of a holistic model.

Dr. Juan-Gabriel,Cegarra-Navarro, Dr. Meugenia Eugenia Sanchez- Vidal and Mr. David Cegarra-Leiva (2011) examined that, SMEs may be trapped in a suboptimal stable equilibrium, as many overloaded managers are cutting back on their resources and may be over-investing in the development of exploration and exploitation processes rather than investing in mechanisms to facilitate an unlearning context. It is an unlearning context to manage an appropriate balance between exploratory processes and exploitative

processes. The results indicate that the effects of exploration and exploitation of knowledge on organisational performance are mediated through an unlearning context.

John G. Mumford and Barbara A. Workman (2011) discussed the higher education learning and teaching development strategies to extend and embed work based learning (WBL). It identified the potential opportunities for increasing the work based learning.

Ajay kr. Singh and Vandana Sharma (2011) indicated that, in today's highly competitive environment, knowledge management will be the key to organisational success in this millennium. This study analyses how the organisational culture and organisational learning impacts knowledge management, and ultimately the satisfaction of employees working in the firm. The results revealed sufficient evidence to establish a correlation between organisational culture, organisational learning, knowledge management and employee satisfaction.

Nevertheless, the focus of previous studies has centered on the perspective of the collective process of cognitive change for the whole organisation (Huber, 1991) and the spread of learning to different levels of organisational members (Nonaka and Takeuchi, 1995; Crossan and Bontis, 1998) that still needs to be enquired in Nepalese perspective.

In the context of Nepal a few doctoral studies do exist in some aspects viz. Geeta Pradhan (1997), Ravi P. Shrestha (1991) and Narottam Upadhaya (1981). However, these studies were conducted from personnel management, training and development perspective only and not from organisational learning. Studies that could contribute to fill up the gaps on knowledge regarding organisational learning in the country are needed to be undertaken. So, additional researches with varied perspectives have been conducted in Nepal Viz. Shakya (2007), Devkota (2008) and Parajuli (2008) relating OL with HRD and other aspects mainly in financial institutions. These various studies provide insights into different facets of organisational learning and some of them examine the relationship between organisational learning and organisational performance. However, studies in a broader perspective enquiring into factors affecting organisational learning and their impact on performance are felt needed. No study has been conducted as so far in Nepalese context in this area. Hence, this study has been initiated.

CHAPTER – III

RESEARCH METHODOLOGY

The basic objective of this study is to enquire whether organisational learning defined in terms of collective learning, culture and metaphor, process and system, continuous improvement and total quality management and knowledge management affects the organisational performance. To achieve this objective, the research methodology followed is presented here under.

3.1 Research Design

Organisational learning has emerged to create a learning environment in totality in the organisation systems. Since the eighties and nineties, it has become an issue of serious concern and research. Literature and disciplines on organisational learning are vast and diverse. Organisational learning is very broad in terms of the disciplines under which organisational learning theories and their viewpoints have developed. Organisational learning (OL) is indicated by five factors as collective learning (CL), culture and metaphor (CM), process and system (PS), continuous improvement and total quality management (CITQM or CI) and knowledge management (KM) as opined by many.

The status of organisational learning including its components as defined by Senge (1990) and Catherine L. Wang and Pervaiz K. Ahmed (2003) has been defined as the independent variables. The dependent variable has been defined as organisational performance (OP). The demographic variables age, sex, work experience, education and sector are defined as control variables.

Organisational performance was measured in terms of perception, which included sales (revenue) growth, profitability, income, productivity, growth in profits or profit earning, continuous growth, market share improving, performing, financial performance, competition, satisfaction, public image and productivity encouragement. It is not

surprising that many respondents are hesitant to report information pertaining to such indicators as profitability and return on investment (ROI).

In order to avoid the omission of sensitive performance data, a more indirect approach for collecting the data was utilised. Instead of directly asking respondents to report objective measures of their firm's financial performance, they were asked to report their satisfaction level with their firm's performance in terms of profitability, sales growth, profit growth and sales margin. Similar indirect measures of firm performance have been used in prior strategy research when financial statement data are either unavailable or when they do not allow for accurate comparisons amongst firms (Dess, 1987; Powell, 1992; Powell and Dent-Micallef, 1997; Spanos and Lioukas, 2001; Tippins and Sohi, 2003).

Likewise, research has shown that perceived measures of performance can be a reasonable substitute for objective measures of performance (Dess and Robbinson, 1984) and have a significant correlation with objective measures of financial performance (Lawrence and Lorsch, 1987; Hansen and Wernefelt, 1989; Lyles and Salk, 1997). Using these indicators, the organisational performance factor has been derived at. The dependent variables were regressed with the independent variables based on single as well as multiple variables and conclusions were derived at.

It is hypothesised in this study that the overall status of organisational learning affects organisational performance. It is presumed that organisational performance can be measured from perceptual data collected in major indicators like sales growth, job satisfaction, profitability, income, market share, market performance, innovation, competitiveness, good image, productivity, continuous growth etc. These indicators were included in the questionnaire which was distributed to officer level employees in 20 organisations of two sectors including financial and tourism sectors. Financial sector consisted of banks, development banks, finance and insurance companies and tourism sector includes Nepal Tourism Board (NTB), hotels, travel agencies, airlines and trekking. To attain the objectives, descriptive and exploratory research designs have been used.

3.2 Sources of Data

Primary data was used for this study. The primary data was related to identification and assessment of five factors, prevailing OL practices and perception of OL practices in Nepalese organisations and organisational performance.

The primary data were collected in three different stages. In the first stage financial and tourism sectors were selected. In the second stage, ten enterprises out of four financial sub sectors and ten enterprises out of five tourism sub sectors were selected and visited for soliciting information on various aspects of OL practices and organisational performance. In the third stage, the officer level staffs were selected as defined in the sampling process.

3.3 Population and Sampling

In this study all financial and tourism service sectors were considered as population. Organisations from financial and tourism service sectors were selected for the sampling. Organisations and officer level employees were defined as the sample population. They were selected judgementally.

3.4 Sample Size

Stepwise sampling approach was followed. In the first step, organisations have been selected purposively from the two sectors: financial and tourism sectors. These organisations consisted of financial and tourism sector. The financial sector included the following enterprises as banks, development banks (dev.bank), financial institutions, insurance companies.

The tourism sector included the following enterprises as hotels, travel agencies, trekking agencies, airlines and Nepal Tourism Board.

1. Financial sectors and tourism sectors were selected to represent from banks, development banks, financial institutions, insurance companies, hotels, travel agencies, trekking agencies, airlines and Nepal Tourism Board and these were selected purposively.

2. Ten financial organisations selected were Nabil Bank Ltd., Nepal Credit and Commercial Bank Ltd., Bank of Kathmandu Ltd., Nepal Bank Ltd., Prime Bank Ltd., Nepal Investment Bank Ltd., Jyoti Development Bank Ltd., Sidhartha Insurance Ltd., Goodwill Finance Ltd. and Patan Finance Ltd.
3. Ten tourism organisations selected were Nepal Tourism Board (NTB), The Radission Hotel, The Malla Hotel, Soaltee Crowne Plaza Hotel, Hotel De L' Annapurna, Yeti Airlines Domestic Pvt. Ltd., Buddha Air Pvt. Ltd., Lalit Mandap Travel and Tours Pvt. Ltd., Fox Tours and Travel Pvt. Ltd., Thamserku Tours and Trekking Pvt. Ltd.
4. Altogether 400 personnel were defined as sample that would enable to make a rational estimation and divided equally among both the financial and tourism sectors respectively.

The sample size and the number of the respondents are given below:

Table No. 3.1. Number of the Respondents

S.N.	Enterprises	Status	Sample	Actual Collection	Percentage of Sample
1	Nabil Bank	Financial	20	15	75
2	NCC Bank	Financial	20	20	100
3	Bok Bank	Financial	20	15	75
4	Nepal Bank	Financial	20	15	75
5	Prime Bank	Financial	20	10	50
6	NIB Bank	Financial	20	15	75
7	Jyoti Dev. Bank	Financial	20	15	75
8	Sidhartha Insurance	Financial	20	15	75
9	Goodwill Finance	Financial	20	15	75
10	Patan Finance	Financial	20	15	75
	Total Financial Sector		**200**	**150**	**75**
1	Nepal Tourism Board	Tourism	20	15	75
2	Radisson Hotel	Tourism	20	20	100
3	Malla Hotel	Tourism	20	10	50
4	Annapuna Hotel	Tourism	20	15	75
5	Soltee Hotel	Tourism	20	15	75
6	Yeti Airlines	Tourism	20	15	75
7	Buddha Airlines	Tourism	20	15	75
8	LalitMandap Travel Agency	Tourism	20	15	75
9	Fox Tours and Travel Pvt. Ltd.	Tourism	20	15	75
10	Thamserku Tours and Trekking	Tourism	20	15	75
	Total Tourism Sector		**200**	**150**	**75**
	Total		**400**	**300**	**75**

Out of 400 samples, 300 or 75% questionnaires were actually collected. 150 questionnaires or 75% were obtained in both the sub groups.

Source: Field Survey, 2009

3.5 Data Collection Instrument/ Questionnaire

At the outset, the variable organisational learning including its components collective learning, culture and metaphor, process and system, continuous improvement and total quality management and knowledge management were selected as independent variables. The independent variable organisational learning was also defined. The dependent variable has been defined as organisational performance. The demographic variables age (below 30, 31-40, 41-50, above 50), experience (0-5yrs, 6-10yrs, 11-15yrs and 16 or above), education (below graduate, graduate, master and above master), sex (male and female), sector (financial and tourism) and sub sector (bank, development bank, finance, Insurance, hotel, travel agency, airlines, trekking, NTB) were defined as control variables based on Senge (1990) and Catherine L. Wang and Pervaiz K. Ahmed (2003) studies.

Thenafter, the indicators of the variables were collected. The indicators were identified to develop the questionnaires for the main topic of the research work on organisational learning and performance in Nepalese services sector was collected. It was kicked off with the international and national articles, books, journals etc. The collection of the indicators of the study was accomplished and the selection of the indicators was done. With the support of supervisors a fully structured questionnaire was developed for the employees. The questionnaire included 90 questions and followed the likert scale questions model. A five-point Likert scale (with 5=fully agree, 4= agree, 3= soso, 2= disagree and 1= fully disagree) has been used for each of the statements. The questionnaire was designed to get answers to the questions as How OL is being done in Nepalese organisations particularly in services sector? What is the need of OL?; Has there been an assessment?; What are the dimensions of OL being emphasised by Nepalese services organisations?; Is there a difference between financial and tourism services sector in terms of organisational learning practices and policies?; How OL can improve the efficiency of an organisation?; To what extent OL affects organisational performance in services sector within Nepal?; What efforts are needed to be initiated to improve organisational efficiency? These questions were asked to the senior managers

and officers of the both the sectors to solicit information. Informal discussions with other employees were conducted. Their suggestions were also noted.

Twenty enterprises were selected for sampling purposively. The financial sectors and tourism sectors were finalised for the study. Again the representatives of the financial sectors from banks, development banks, financial institutions, insurance companies and the representatives of the tourism sectors from hotels, travel agencies, trekking agencies, airlines and Nepal Tourism Board were selected. Ten financial organisations selected were Nabil Bank, Nepal Credit and Commercial Bank Ltd., Bank of Kathmandu, Nepal Bank Ltd., Prime Bank, Nepal Investment Bank, Jyoti Development Bank, Sidhartha Insurance, Goodwill Finance and Patan Finance. Ten tourism organisations selected were Nepal Tourism Board, Radission Hotel, Malla Hotel, Soltee Hotel, Hotel De L' Annapurna, Yeti Airlines, Buddha Airlines, Lalit Mandap Travel and Tours Pvt. Ltd., Fox Tours and Travel Pvt. Ltd. and Thamserku Tours and Trekking Pvt. Ltd.

The study contained six aspects of collective learning, culture and metaphor, process and system, continuous improvement and total quality management, knowledge management and organisational performance.

The indicator collective learning contained 21 elements of skill, knowledge, training, development needs, team learning opportunities, helping hand or direction, empowerment, participation, exposure, feedback, social activities etc.

The selected variables for culture and metaphor contained 21 elements including investment in employees, commitment to continuing learning, open-minded review, communication, interactions, transparency practices, suggestions, supportive role, information dissemination, share knowledge and resources, problem identification, solution and decision making, participation and collaboration, creation and innovation, database program, risk taker, working environment, growth and competitiveness, senior manager as role of model and change agents etc.

Process and system included 24 different components such as performance, reward, structure and system for encouragement, commitment, communication, development, job rotation programme, networking system, meeting, sharing experience of expertise, information dissemination, vision, human resources, team learning,

relationship, interaction, work process and performances, authority of decision making, change, supportive, share ideas, knowledge, skills even pains and pleasure etc.

Continuous improvement and total quality management consisted of 15 varied components such as changing environment, competitiveness, aggressive, activities operation, quality performance standards, monitor, internal performance reviews and system audits, expansion of capacity, information, status quo, open concept, creativity, innovative, risk-taking, continuous improvement etc.

Knowledge management included 17 different components such as spends money and resources for creating knowledge, expertise, taking advice, information dissemination, interaction, continuous education and learning, discussion, work processes and system revisited and updated for improvement, techniques method and ideas are adopted, knowledge utilisation, competitive advantage, ability, socialisation activities, total quality management etc.

Organisational performance consisted of 13 different components based on perceptual rating for profit earning, sales, income, growth, improvement in market share, overall performance, competition, and change in productivity.

3.6 Reliability Test

Sekaran (2000) suggests that "in almost all cases, Cronbach's alpha can be considered a perfectly adequate index of the inter-item consistency reliability". This test gives the mean value of all the possible ways of splitting scale items and correlating them, giving an overall split-half coefficient, known as Cronbach's Alpha Mohapatra (1993). The closer Cronbach's Alpha is to 1.0, then, the more reliable the scale. The literature suggests that the lower cut-off point for a sufficient coefficient lies somewhere between 0.60 (Mohapatra, 1993) and 0.70 (Kervin, 1992).

The results of the reliability statistics are given in the following table:

Table No. 3.2 Reliability Test

S.N.	Paricular	Cronbach's Alpha	N of items
1	CL	0.843	19
2	CM	0.860	18
3	PS	0.895	20
4	CITQM	0.800	10
5	KM	0.753	14
6	OL	0.958	81
7	OP	0.548	9
8	Total	0.959	90

Source: Field survey, 2009

Cronbach's Alpha values indicating the level of reliability for CL, CM, PS, CITQM and KM were computed at 0.843, 0.860, 0.895, 0.800 and 0.753 respectively which is below 1 but more than 0.7 meaning that the level of reliability is satisfactory as these values are above 0.7 as established by Kervin (1992) and well above 0.6 as established by Mohapatra (1993). The overall reliability for the five factors in totality indicating the total status of OL was 0.958 which showed a high degree of reliability of the instruments used. In respect to OP, the level of reliability was low at 0.548. However, the overall reliability of the total questionnaire was 0.959 indicating a very satisfactory level of reliability. Thus, it is safely assumed that the tools used are reliable and would provide useful results as anticipated.

3.7 Techniques of Analysis

The comparison between financial and tourism sectors has been undertaken as sector wise. Regression analysis has been done between collective learning, culture and metaphor, process and system, continuous improvement and total quality management and knowledge management with organisational learning for the selected sectors. Regression analysis has also been initiated between organisational learning with organisational performance.

A five-point Likert scale (with 5= fully agree, to 1= fully disagree) has been used for each of the statements. It has been considered that >3.5 = agreed and satisfactory, 2.5 $\leq$ 3.5 = moderate and <2.5 = disagreed and poor correspondingly.

All collected data were tabulated and appropriate statistical values like mean, standard deviation and percentage were calculated. On the basis, analysis was done and inferences deduced. In order to compare and analyse and draw the conclusion statistical tools like regressions and correlations were used. To test the significance of the results t-test, F- test and R^2- test were used.

The data and information collected from staffs, officers were presented, analysed and interpreted for attaining the stated objectives of the study. Regression between organisational learning factors and organisational performance was computed. It has been tried to assess the relative importance of the factors affecting OL in Nepal from the identified six factors. Appropriate non-parametric statistical analysis was conducted and p-values calculated to test the significance of primary data.

In order to test the extent of relationship between the dependent and independent variables, regression equations/models were developed and tested.

Dependent variable (Y) is assumed for OP whereas independent Variables (x_1, x_2, x_3, x_4 and x_5) are symbolised for CL, CM, PS, CITQM or CI and KM respectively. Following regression models were developed and tested in this research.

$Y = a + bx$

(Where Y=OP; a= constant; bx = coefficient of independent variables)

$Y = a + b_{CL}$

(Where Y=OP; a= constant; b_{CL} = coefficient of collective learning)

$Y = a + b_{CM}$

(Where Y=OP; a= constant; b_{CM} = coefficient of culture and metaphor)

$Y = a + b_{PS}$

(Where Y=OP; a= constant; b_{PS} = coefficient of process and system)

$Y = a + b_{CITQM}$

(Where Y=OP; a= constant; b_{CITQM} = coefficient of continuous improvement and total quality management)

$Y = a + b_{KM}$

(Where Y=OP; a= constant; b_{KM} = coefficient of knowledge management)

Further multiple regression model, was developed to examine the combined impact of OL variables on OP.

$Y = a + b_{CL} + b_{CM} + b_{PS} + b_{CITQM} + b_{KM}$

(Where, Y=OP; a= constant; b_{CL} = coefficient of collective learning; b_{CM} = coefficient of culture and metaphor; b_{PS} = coefficient of process and system; b_{CITQM} = coefficient of continuous improvement and total quality management and b_{KM} = coefficient of knowledge management.)

CHAPTER – IV

PRESENTATION, INTERPRETATION AND ANALYSIS OF DATA

4.1 Introduction

The concept of organisational learning mainly emerged in the 1990's with the authorities in the issue like Senge (1990) and Wang and Ahmed (2003) emphasising on the imperative of organisational learning. In the twentieth century, according to Huber and Crossan, organisational learning involves in between different levels of action, going from the individual to the group level and after then organisational level. The importance of people to organisations in the future is expected to be more paramount as the management of knowledge and intellectual capital becomes the prime sources of an organisation (Malone, 1997; Ulrich, 1998; Teece, 1998).

The process of moving from individual doubt and learning to organisational learning is important and requires further enquiry. Organisational learning can be appraised by comparing the results with organisational performance indicators. So, it is important to see the relations between and within the factors and organisational learning and organisational performance.

The objective of the study is to identify the relationship between the collective learning, culture and metaphor, process and system, continuous improvement and total quality management and knowledge management with organisational learning and consequently organisational performance. The data based on the survey is presented, analysed and discussed in this chapter.

4.2 Collective Learning (CL)

Collective Learning (CL) is an important component of overall learning environment in an organisation.

Early research demonstrates a strong emphasis on the role of individual learning in organisational learning. At the extreme end, the organisational learning system is viewed as one depending wholly on individual learning as against practice of knowledge sharing for all the organisational members (Shrivastava, 1983). The main stream within this focus of organisational learning considers individuals as 'agents' for organisations to learn (Argyris and Schon, 1978).

A learning organisation evolves as a result of the learning and behaviour of its people (Honey and Mumford, 1992; Burgoyne et al., 1994; Senge, 1990; Marquardt and Reynolds, 1994). The ability of a workforce in an organisation to learn faster than those in other organisations constitutes the only sustainable competitive advantage at the disposal of a learning organisation (De Geus, 1998). Organisational learning should be where the individuals consciously interact with others through the process of education and as a result of experience (Kolb, 1984; Honey and Mumford, 1992). Therefore, a learning organisation should primarily focus on valuing, managing and enhancing the individual development of its employees (Scarbrough et al., 1998). Under this viewpoint, organisational learning is in a sense the collectivity of individual learning within the organisation. Collective learning occurs in addition to the learning process at the individual level, and may even occur independently of each individual.

Collective learning consisted of different components such as skill, knowledge, training, development needs, learning opportunities, helping hand or direction, empowerment, participation, exposure, feedback, social activities etc. It has been tried to assess the status of collective learning opportunities in Nepalese enterprises, both from financial and tourism sectors. The result showed that the overall status was satisfactory with majority agreeing to the existence of the opportunities.

Relatively, the responses were more satisfactory for the statements 'can meet supervisor any time when needed for help and direction' and 'clearly understand what skill and knowledge' with the mean values ranging from 4.34 to 4.61. Hence, it can be explained that there is an environment for clear understanding about their improvement, skills and knowledge and again there is an opportunity for learning from seniors due to easy accessibility to meet them.

Poor response was noted for 'does not empower employees to enable them to take on more responsibilities' and 'do not believe that the training programs are not customised to the learning needs and job challenges' with the mean values ranging from 2.75 to 3.44. The response symbolised that there is enough training programs for learning opportunities and found conducive environment for empowerment of employees to ensure them to be accountable.

Moderate rating was noted in training, skill, knowledge, discussion for development needs-learning-pratice-help-direction-feedback, learn through other`s performance, exposure, social activities, work interest, learning opportunities, empowerment for responsibilities excepting developed in line with business objectives, participation, colleagues as source of exposure and learning, activities relevant, supervisor allows to learn from mistake, empowerment for learning.

Overall, the rating indicated relatively satisfactory situation with the mean value of 3.50 to 4.30. In respect to factors like, clearly understand skill and knowledge, learning opportunities, skills are developed in line, participation in meetings, seminars and discussion, colleagues are source of learning and exposure, supervisor gives feedback, training programmes are customised and empowerment, the ratings were more than 3.5 mean values. Therefore, it may be deduced as moderately satisfactory.

Table No. 4.1 CL

However, the response did not indicate that collective learning environment is in a really encouraging stage as the mean values were well below 5 or fully agree. In spite of this, it may be stated that there are adequate opportunities in Nepalese enterprises to enhance ones' learning.

The difference in response between the financial and the tourism sector was hardly noticeable, meaning that so far CL is concerned; the scenario was similar in both the sectors. To some extent, tourism sector is one step beyond the financial sector in pursuing the collective learning approach.

P-values computed also prove the point. Again, the overall p-value = 0.413 shows that there is a difference in the response between the financial and the tourism sectors.

The response has been further analysed by stratifying the respondents in terms of age, sex, experience, education and sectors or activities.

Age

In terms of age group, collective learning of higher age group or above 50 comprised high mean value of 3.99 but relatively low in upto 30 age groups of mean value 3.75. The response was similar among the age groups of 31-40 and 41-50 age groups. The response tended to be similar among all the age groups. There was no difference and these groups rated comparatively more agreed to the statements indicating CL. It indicated that 31-40 and 41-50 age groups seemed to agree adequately that collective learning environment was satisfactory. The response indicated relatively satisfactory but further showed that the lower age group respondent’s level of satisfaction was slightly lower indicating some gap between higher and lower age groups.

Sex

In terms of sex, there was only marginal difference with the males reporting slightly higher opportunities. It showed that males may be more interested in collective learning than the females though the difference was very small. The overall rating, however, indicated relatively sound environment for collective learning in Nepalese services sector enterprises.

Table No. 4.1.1 Response in Respect to Organisational Learning by Age

Age	CL	CM	PS	CI	KM	Total (OL)		OP	Total (OP)	
	Mean	Mean	Mean	Mean	Mean	Mean	Std. Dev.	Mean	Mean	Std. Dev.
Up to30	3.75	3.53	3.39	3.61	3.32	3.52	0.924	3.55	3.55	0.973
31-40	3.85	3.65	3.56	3.70	3.45	3.64	0.913	3.65	3.65	0.946
41-50	3.80	3.61	3.45	3.63	3.38	3.58	0.948	3.58	3.58	0.887
>51	3.99	3.65	3.68	3.77	3.48	3.72	0.944	3.60	3.60	0.926
Total	3.82	3.60	3.49	3.66	3.40	3.59	0.932	3.60	3.60	0.933

Source : Field Survey, 2009

Table No. 4.1.2 Response in Respect to Organisational Learning by Sex

Sex	CL	CM	PS	CI	KM	Total (OL)		OP	Total (OP)	
	Mean	Mean	Mean	Mean	Mean	Mean	Std. Dev.	Mean	Mean	Std. Dev.
Male	3.82	3.60	3.48	3.67	3.39	3.59	0.919	3.60	3.60	0.935
Female	3.81	3.60	3.51	3.63	3.42	3.60	0.948	3.61	3.61	0.954
Total	3.82	3.60	3.49	3.66	3.40	3.60	0.932	3.60	3.61	0.945

Source : Field Survey, 2009

Table No. 4.1.3 Response in Respect to Organisational Learning by Work Experience

Experience (In Years)	CL	CM	PS	CI	KM	Total (OL)		OP	Total (OP)	
	Mean	Mean	Mean	Mean	Mean	Mean	Std. Dev.	Mean	Mean	Std. Dev.
Below 5	3.73	3.52	3.43	3.63	3.38	3.53	0.894	3.60	3.60	0.935
6 to10	3.81	3.59	3.47	3.62	3.36	3.58	0.954	3.57	3.57	0.967
11 to15	3.95	3.70	3.59	3.73	3.47	3.69	0.893	3.64	3.64	0.913
16 Above	3.86	3.67	3.52	3.69	3.40	3.63	0.997	3.60	3.60	0.941
Total	3.82	3.60	3.49	3.66	3.40	3.61	0.932	3.60	3.60	0.939

Source : Field Survey, 2009

Table No. 4.1.4 Response in Respect to Organisational Learning by Education Level

Education (In Level)	CL	CM	PS	CI	KM	Total (OL)		OP	Total (OP)	
	Mean	Mean	Mean	Mean	Mean	Mean	Std. Dev.	Mean	Mean	Std. Dev.
Below Graduate	3.86	3.66	3.58	3.65	3.59	3.68	0.858	3.66	3.66	0.987
Graduate	3.83	3.64	3.51	3.67	3.38	3.61	0.932	3.62	3.62	0.927
Master	3.79	3.54	3.44	3.64	3.38	3.56	0.936	3.55	3.55	0.952
Above Master	3.95	3.74	3.79	3.81	3.54	3.78	0.867	3.86	3.86	0.790
Total	3.82	3.60	3.49	3.66	3.40	3.61	0.932	3.60	3.60	0.914

Source : Field Survey, 2009

Table No. 4.1.5 Response in Respect to Organisational Learning by Sector

Sector	CL	CM	PS	CI	KM	Total (OL)		OP	Total (OP)	
	Mean	Mean	Mean	Mean	Mean	Mean	Std. Dev.	Mean	Mean	Std. Dev.
Sub Sector										
Bank	3.80	3.64	3.54	3.79	3.38	3.63	0.912	3.63	3.63	0.913
Dev. Bank	3.85	3.63	3.57	3.67	3.45	3.64	0.821	3.76	3.76	0.599
Finance	3.55	3.43	3.35	3.59	3.30	3.43	0.918	3.54	3.54	0.917
Insurance	3.86	3.41	3.59	3.75	3.44	3.61	0.996	3.82	3.82	0.901
Total Financial Sector	**3.77**	**3.58**	**3.52**	**3.74**	**3.38**	**3.60**	**0.929**	**3.65**	**3.65**	**0.833**
Sub Sector										
NTB	3.66	3.43	3.20	3.45	3.31	3.41	0.808	3.21	3.21	0.652
Hotel	3.94	3.68	3.58	3.57	3.48	3.67	0.934	3.71	3.71	0.906
TravelAgency	3.87	3.66	3.41	3.46	3.33	3.57	0.891	3.30	3.30	0.955
Airlines	3.84	3.51	3.33	3.80	3.42	3.56	0.928	3.61	3.61	0.859
Trekking	3.82	3.53	3.62	3.50	3.37	3.63	0.769	3.69	3.69	0.854
Total Tourism Sector	**3.86**	**3.62**	**3.46**	**3.57**	**3.41**	**3.59**	**0.925**	**3.55**	**3.55**	**0.845**
Total	3.82	3.60	3.49	3.66	3.40	3.60	0.932	3.60	3.60	0.839

Source : Field Survey, 2009

Work Experience

In terms of experience the result was somewhat interesting. Officers with the medium experience and higher experience group respondents have similar views while lower level experience group respondents have different views. More or less the medium group respondents with medium experience have highly focused on collective learning than other groups. It indicated that 11-15 years seemed to agree adequately that collective learning environment was satisfactory' but officers with below 5 years' experience group did not seem to agree adequately that collective learning environment was satisfactory. The response of higher experience group and 6-10 groups were similar (beyond 3.5) and were more satisfactory. However, differences between various experience groups were low as in the case with age and sex categories.

Education

Collective learning of above master education group recorded higher mean value indicating higher level of satisfaction with the situation of collective learning but low in master education group. Collective learning of respondents of below graduate education group has higher mean value but lower than the response of the above master education group. It indicated that respondents of above master education group seemed to agree adequately with the statement that collective learning environment was satisfactory. But respondents of graduate and master level groups did not seem to agree that collective learning environment was adequately satisfactory. The response of above master group was more satisfactory. It also confirmed to responses in other groups and indicated similarity.

Sector

Collective learning of tourism sector group recorded the higher mean value of 3.86 but was found to be low in financial service group of mean value 3.77. So, the tourism sector group in Nepal appeared to be relatively more satisfied with the status of collective learning than the financial sector.

In respect to two sectors selected, satisfaction with collective learning opportunities of tourism sector was higher in the Hotel sector than other groups. The

response tended to be similar among the bank, development bank, insurance, airlines, trekking, and travel agency groups. The mean values of these variables fall in between 3.80 to 3.87.

It indicated that finance and Nepal Tourism Board sub sectors did not seem to agree that collective learning environment was adequately satisfactory as other sectors because the mean values that carried out less than the above sub sectors.

The respondents from Hotel, travel agency and insurance sub sectors seemed to agree that collective learning environment was adequately satisfactory. Hence, the response of Hotel, travel agency and insurance groups were more satisfactory. Again, the response of sub sector Hotel was more satisfactory than other sub sectors.

The finding of the study is in conformity with the findings of Wang and Ahmed (2003) in respect to availability of adequate opportunities in Nepalese enterprises to enhance ones' learning. In the same way, in respect to the findings that 'organisational learning engages interaction between and within individuals, organisations and its contexts' is similar with the findings of Watkins and Marsick (1994), Argyris and Schon (1978), Dodgson (1993) and Shaw and Perkins (1992). The requirements for learning organisation to a lot of extent match with the findings of Armstrong and Foley (2003).

Overall, the collective learning environment in Nepalese enterprise is adequately satisfactory and indicated that there is substantial room for improvement that is expected to lead for improved organisational learning.

4.3 Culture and Metaphor (CM)

Another essential parameter is culture and metaphor for learning opportunities of the organisation. Within the organisational learning literature, there is a strong emphasis on the cultural perspective of the learning organisation. Culture and metaphor serve as a sense-making mechanism that guides and shapes the values, behaviors and attitudes of employees (O' Reilly and Chatman, 1996), and it is through values that behavior flows and is guided (Simon, 1976). An organisation's culture and metaphor impose 'coherent, order, and meaning' and enables the institutionalisation of an appropriate sense-making structure to facilitate interpretation of unfamiliar events (Weick, 1985). Organisational

culture impacts organisational learning, knowledge management and employee satisfaction (Singh and Sharma, 2011).

Traditional hierarchical cultures are anti-learning and anti-training, and undermine the ability of organisations to match and survive increasing competition in the global marketplace (Jones, 1996). In the new economy, knowledge is not reserved for people in managerial or professional positions. Every worker needs to be a knowledge worker. However, having a company where the majority of employees are knowledge workers is not sufficient to guarantee success against strong competition.

The culture has to be right to enable their full contribution. Organisations need to change to a collaborative team culture in order to escape the no-training and waste-training traps (Jones, 1996) and focus on the process and involvement of people within the organisation (Mintzberg, 1994). Every member of the organisation must be able to positively contribute. The same has been stressed by Jones (1996) that in addition to the full utilisation of the technical skills and knowledge of employees, a team approach is essential for the effective acquisition of new knowledge and skills. Team skills are inextricably linked to effective learning. It is the learning and motivation which a team approach enables that forms the mainspring of quality, innovation, service, etc. Torbert (1991) named it 'the liberating culture', which is a means of overcoming barriers that limit organisational learning. The linkage between culture and metaphor and organisational performance has been tentatively defined by researchers (Denison, 1990; Gordon and DiTomaso, 1992).

Culture, as an independent and internal variable (Smircich, 1983), has become a critical tool for strategists to design organisations. Culture enables an organisation to best utilise its knowledge and experience for establishing and achieving desired goals and learning about wisdom as the process of discerning judgments and action based on knowledge (Bierly et al., 2000). This type of learning is associated with the third-order learning or triple-loop learning by Bateson (1972), Berman (1981), McWhinney (1992), and 'the spirit-action connection' by Rothberg (1993).

The cultural facets consist of a set of shared values, norms, beliefs, attitudes, roles, assumptions and behaviours that enable real learning (Argyris and Schon, 1978). Senge (1990) also spoke of a shared vision in mental models embedded in the culture of an organisation. It enables a learning culture to develop learning prerequisites.

Culture and metaphor consisted of different components such as investment in employees, commitment to continuing learning, open-minded review, communication, interactions, transparency practices, suggestions, supportive role, information dissemination, share knowledge and resources, problem identification, solution and decision making, participation, creation and innovation, database program, risk taker, working environment, growth and competitiveness, senior manager as role of model and change agents etc. It has been tried to assess the status of culture and metaphor opportunities in Nepalese enterprises, both from financial and tourism sectors. The result showed that the most of the status was moderately satisfactory with majority agreeing to the existence of the opportunities but many of there were only moderate and not beyond.

Relatively, the responses were highly satisfactory for the statements 'people are key to growth and competitiveness' and 'people work in a highly efficient, effective and learning organisation' with the mean values ranging from 3.91 to 3.93. A person is important factor to run the organisation effectively and efficiently was satisfactory and they realise the importance of the people in the organisation for the learning opportunities.

The low mean values was noted for ‘organisation does not practice transparency through various types of open-reporting and information-sharing' and 'management of this organisation hesitates to invest in its employees' ranging from 2.73 to 2.88. The response symbolised that organisations want to invest in its employees and organisation practices transparency both in the tourism and financial sectors.

Moderate rating was noted in investment, continuing learning, open-minded review, interactions, transparency practices, suggestions, supportive role, information dissemination, share knowledge and resources, problem identification, solution and decision making, participation, creation and innovation, database program, risk taker, working environment, senior manager as role of model and change agents.

Overall, the rating indicated relatively satisfactory situation with the mean value of 3.46 to 3.89. In respect to factors like, good communication, interaction, sharing of knowledge and resources, identification of problems and solution, efficient, effective, learning and importance of people for growth and competitiveness, the ratings were more than 3.5 mean values. Therefore, it may be deduced as moderately satisfactory.

Table No. 4.2

Thus, the response did not indicate that culture and metaphor environments are in a really encouraging stage as the mean values were well below 5. In spite of this, it may be stated that there are adequate opportunities in Nepalese enterprises to enhance ones' learning.

The difference in response between the financial and the tourism sector was hardly noticeable, meaning that so far culture and metaphor opportunities are concerned, the scenario was similar in both the sectors leaving a few indicators. To some extent tourism sector is one step beyond the financial sector pursuing the culture and metaphor opportunities.

P-values computed also prove the point. Again, the overall p-value = 0.380 shows that there is a difference in the response between the financial and the tourism sectors.

The response has been further analysed by stratifying the respondents in terms of age, sex, experience, education and sectors or activities.

Age

In terms of age group, culture and metaphor of higher age group and 31-40 comprised high mean value or same value 3.65 but low in below 30 age groups. The response was similar among the age groups of 31-40 and above 50 age groups. The response tended to be similar among the middle and higher age group. There was no difference and these groups rated comparatively more agreed to the statements indicating culture and metaphor. It indicated that below 30 and 41-50 age groups did not seem to agree adequately than other groups that culture and metaphor environments but they were satisfactory and fall in between 3.5 to 5 values. The response of middle and higher groups was more satisfactory but well below fully agreed.

Sex

In terms of sex, the mean value indicated that there was fundamental no difference by sex group. The learning opportunities for culture and metaphor were same in both groups. So, the result of culture and metaphor between male and female have no difference. It pointed that male and female acquired the same process of the culture and

metaphor variables. Thus, males and females have similar views on the topic culture and metaphor.

Work Experience

In the case of experience the result of the officers with the below 5 and 6-10 years' experience group respondents have similar views while respondents with 16 or above years' and 11-15 years' experience group did not show similar views. It indicated that 11-15 years' experience group has higher value and seemed to agree adequately that culture and metaphor environment was satisfactory. Nevertheless, officers with below 5 years' experience group did not seem to agree adequately that culture and metaphor environment was satisfactory. The response of 16 or above years' experience group was more satisfactory than the 6-10 years' experience group.

Education

Culture and metaphor of above master education group recorded higher mean value indicating higher level of satisfaction with the situation of culture and metaphor but low in master education group. The response was similar among the respondents of education groups of below graduate and graduate groups. It indicated that the respondents of master group did not seem to agree adequately that culture and metaphor environment was satisfactory in selected organisations. But the respondents of graduate level groups seem to agree that culture and metaphor environments were adequately satisfactory. The response of above master group was more satisfactory.

Sector

Culture and Metaphor of tourism sector group recorded higher mean value of 3.62 but marginally low in the financial service group of 3.58 mean values. So, the tourism sector group of Nepal seemed to be somewhat more satisfying than the financial sector in respect to Culture and Metaphor.

In respect to itra sector level, satisfaction with culture and metaphor opportunities of tourism sector were higher in the Hotel sector than other group. The response tended to be similar among the airlines and trekking groups; finance, insurance and NTB; and

banks, development bank and travel agency groups. It indicated that insurance sector did not seem to agree that culture and metaphor environment was adequately satisfactory. But respondents from travel agency and banks seem to agree that culture and metaphor environment was adequately satisfactory. The response of Hotel was more satisfactory.

It indicated that the respondents of NTB, insurance and finance sector did not seem to agree that culture and metaphor environment was adequately satisfactory. But the respondents from Hotel, travel agency and banks sub sectors seemed to agree more that culture and metaphor environment was satisfactory.

The findings of the present study are similar to the findings of Dovey (1997), De Geus (1997), Cairns (1998), Bierly et al. (2000) and Kaiser (2000) which suggested empowered work teams based on learning culture enables knowledge, wisdom, and innovation. The results of Bates and Khasawneh (2005) suggested that organisational learning culture and metaphor showed significant correlations with all variables except openness to change. But in Nepal, organisational learning culture and metaphor showed significant correlations with all variables. It indicated actually, more favourable environment in Nepal, where openness to change is also found to be positive.

The findings suggested that learning-oriented cultures and metaphors can substantially influence organisational effectiveness. These findings suggested that organisational learning cultures and metaphors create learning transfer climates that can enhance and facilitate innovation and adaptation in organisations. Moderate effect on employee perception toward the dimension of culture in enhancing organisational learning were also established in a study of USA, in the findings of Graham and Nafukho (2007) and this is similar to the results in Nepalese context.

The result of Steiner (1998) showed that individual's mental models and metaphors guide their ability to grasp a learning ideology and similar finding was obtained to this study too. Additionally, in the present study top management has exhibited clear vision unlike, in a study in New Zealand by McKenna (1999). Differences were noted in the role and perception of top management in regards to CM.

Overall, the culture and metaphor environment in Nepalese enterprises are satisfactory situation and organisation believes people are a key to growth and competitiveness.

4.4 Process and System (PS)

Process and system are another crucial variables in order to understand organisational learning environment. Another stream of organisational learning research focuses on organisations themselves and refers to an organisation as a 'learning system' (Revans, 1982). Organisational learning is the process whereby organisations understand and manage their experiences (Glynn et al., 1992). Different perspectives are stressed within the learning process: leadership (Revans, 1982; Popper and Lipshitz, 2000); five disciplines: personal mastery, mental models, shared vision, team learning and systems thinking (Senge, 1990); and 4I processes: intuiting and interpreting at the individual level; interpreting and integrating at the group level; and integrating and institutionalising at the organisational level (Crossan, 1994). The system view of organisational learning has been taken mainly from the information processing perspective (Cyert and March, 1963). Organisations are referred to as information processing systems, acquiring, interpreting, distributing, and storing information within the organisation, and therefore four components of the organisational learning process are proposed: knowledge acquisition, information distribution, information interpretation and organisational memory (Huber, 1991).

There are two sub-streams within the system view: organisations as a closed system or an open system. Under the view of organisations as a closed system, organisational learning is restricted within an organisation itself. The viewpoint of organisations as an open system takes into account the situational factors and includes inter-organisational learning as an important part of the whole organisational learning system. Knowledge is acquired widely, both within and outside of the organisation. The open system viewpoint reflects the contingency approach to organisational management and some practices from the new organisational paradigms.

In a learning organisation, the highest stage incorporates three aspects of learning: adapting to their environment; learning from their people; and contributing to

the learning of the wider community or context of which they are a part (Pedler et al., 1991).

However, there is lack of emphasis on flexibility, innovativeness and creativity within the system view, and these factors become increasingly important for an organisation to succeed.

Process and system consisted of different components such as performance, reward, structure and system for encouragement, commitment, communication, development, job rotation programme, networking system, meeting, sharing experience of expertise, information dissemination, vision, human resources, team learning, relationship, interaction, work process and performances, authority of decision making, change, supportive, share ideas, knowledge, skills even pains and pleasure etc. It has been tried to assess the status of process and system opportunities in Nepalese enterprises both from tourism and financial sectors. The result showed that the overall status was moderately satisfactory with majority agreeing to the existence of the opportunities.

Relatively, the responses were more satisfactory for the statements ‘meetings and interactions are held regularly' and 'top leaders have clear vision for the organisation' with the mean values ranging from 3.82 to 3.88. The vision of the top leaders in the organisation was satisfactory and become conscious about the meetings and interactions which indicated the importance of team learning or collective learning opportunities.

Poor response was noted for 'best performing units and individuals are not recognised and rewarded' and ‘top management’s commitment to developing people is not communicated to all employees in this organisation' with the mean values ranging from 2.84 to 3.09. The response symbolised that the top management’s commitment to developing people is communicated to all employees in this organisation and best performing units and individuals are recognised and rewarded opportunities both in the tourism and the financial sectors.

Table No, 4.3

Moderate rating was noted in performance, reward, structure and system for encouragement, commitment, communication, development, job rotation programme, networking system, meeting, sharing experience of expertise, information dissemination, vision, human resources, team learning, relationship, interaction, work process and performances, authority of decision making, change, supportive, share ideas, knowledge, skills even pains and pleasure.

Overall, the rating indicated moderately satisfactory situation with the mean value of 3.16 to 3.79. In respect to factors like, performance of the organisation, encourage teamwork, learning and development, meetings, sharing each other's experiences, clear vision of the leaders, team learning, compares work processes and performances with the best performing company and best performing units and individuals are recognised and rewarded, the ratings were more than 3.5 mean values except in respect to a few cases. Therefore, it may be deduced as moderately satisfactory.

However, the response did not indicate that process and system environments are in a really encouraging stage as the mean values were well below 5. In spite of this, it may be stated that there are adequate opportunities in Nepalese enterprises to enhance ones' learning.

The difference in response between the tourism and financial sector was hardly noticeable, meaning that so far process or system is concerned; the scenario was moreover similar in both the sectors. To some extent, financial sector is relatively better than the tourism sector pursuing the process and system approach.

P-values computed also prove the points. Again, the overall p-value = 0.444 shows that there is a difference in the response between the financial and the tourism sectors.

The response has been further analysed by stratifying the respondents in terms of age, sex, experience, education and sectors or activities.

Age

In terms of age group, process and system of higher age group comprised high mean value but low in below 30 age groups. The response was not similar among the

different age groups. Nonetheless, there was marginal difference among them. It indicated that below 30 and 41-50 age group did not seem to agree adequately that process and system environments were satisfactory. The response of 31-40 and higher groups were more satisfactory.

Sex

In terms of sex, it was found that the response of female recorded higher mean value than the male for process and system opportunities indicating males may not be enjoying similar opportunities as females.

Work Experience

In terms of experience, the result showed that the officers with lower and 6-10 experience group respondents have nearly similar views while officers with higher and 11-15 experience respondents have similar views. It indicated that respondents with 11-15 years' and 16 above experience group seemed to agree adequately that process and system environment was satisfactory. The response of lower and 6-10 year group did not seem to agree adequately that the process and system environment was more satisfactory.

Education

Process and system of above master education group recorded higher mean value indicating higher level of satisfaction with the situation of process and system but low in master education group. The response was similar among the education groups of graduate and below graduate groups i.e. 3.51 and 3.58 respectively. It indicated that 'master groups' did not seem to agree adequately with the statement that process and system environment was satisfactory. But graduate level groups seem to agree that process and system environments were adequately satisfactory. The response of above master group was more satisfactory but well below fully agreed term.

Sector

Process and system of the respondents of financial sector group recorded higher mean value of 3.52 but slightly lower in tourism service group with the mean value of 3.46. So, in respect to process and system financial sector group of Nepal seemed to be

relatively more satisfying than the tourism sector. In respect to two sectors selected, satisfaction with process and system opportunities of tourism sub sector was higher in the trekking sector than other groups. However, the result showed lower mean value in the NTB service group of tourism sub sector. The response tended to be similar among the hotel, insurance and bank sub sector groups. It indicated that NTB, airlines and finance sub sectors did not seem to agree that process and system environments were adequately satisfactory. But the respondents from hotel, insurance and banks seemed to agree that process and system environments were adequately satisfactory and only marginally different. The response of trekking sub sector group was more satisfactory than other sub sectors but well below fully agreed level.

In respect to process and system the status in Nepalese enterprises was found to be moderately satisfying. However, indications are available about the importance of information system, knowledge acquisition and integrative processes. The process of individual learning has a significant impact on the concept and practices of organisational learning' and 'organisational learning research focuses on organisations themselves and refers to an organisation as a learning system' as is also observed in the study of Revans (1982). Personal mastery, mental models, shared vision, team learning, system thinking leadership and processes: intuiting and interpreting and integrating at the group level; and integrating and institutionalising at the organisational level showed significant result with all variables in conformity to Wang and Ahmed (2003), Revans (1982), Popper and Lipshitz (2000), Senge (1990) and Crossan (1994). In ability to grasp thoroughly the influence of power on the strategy-making process can severely inhibit the potential of strategy making as a vehicle of organisational learning, this is also in conformity to the findings of the Dealtry (2009) and Voronov and Yorks (2005).

The components of the organisational learning process knowledge acquisition, information processing systems, distribution, storing, information interpretation and organisational memory become increasingly important for an organisation to succeed (Huber, 1991). The implications are the need for emphasising the developments in information systems and technology which can support organisational learning. Intelligent systems are potential tools to support organisational learning (Pedler et al., 1991) and depends on adapting environment, learning from people and contributing to

the learning of the wider community or context of which they are a part. In Nepalese perspective too as is found in the present study these are valid indicating a need for developing a strong information and intelligent system to boost OL environment and capability. There is a need for organisations to achieve internal changes that result in timely responses to changing external environment and to belief that the structures will be co-dependent, acting as systems of networked learning that lead to competitive advantage as was also observed by Murray (2003) and Murray, Syed and Robert (2009).

The developmental process of organisational learning is preparing the organisation for the future rather than meeting immediate needs. The three learning stages, namely individual, team and organisational suggest that these should be integrative in their approach where learning is incorporated into the work processes. They are the strategic positioning of the organisation based on its vision and mission, and effective leadership in providing clear directions to achieve organisational goals. In Nepal, team learning is the strength of the organisation and the needs for integrative processes have been accorded importance as has been emphasised by Yeo (2002). Top leaders have clear vision and there is a clear blueprint for change and development in the organisation was found in the study of Nepal too.

Overall, the process and system environment are moderately satisfactory in Nepalese services sector.

4.5 Continuous Improvement and Total Quality Management (CITQM)

There is a great importance of continuous improvement and total quality management to be incorporated for learning opportunities as one time learning is never enough for an organisation or individual or group. Current literature on organisational learning has a bias on continuous improvement (Pedler et al., 1991; Buckler, 1996; Scarbrough et al., 1998). The learning organisation is a state which is continuously being striven for (Hodgkinson, 2000) and is more an aspiration for a continuous process rather than a single product (Garratt, 1999).

A learning organisation is viewed as one where people continuously 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 how to learn together (Senge, 1990).

A similar definition is given by Pedler et al. (1991) that a learning organisation should consciously and intentionally devote to the facilitation of individual learning in order to continuously transform the entire organisation and its contexts (Pedler et al., 1991; Morris, 1996; Scarbrough et al., 1998). In this sense, the adoption of total quality management (TQM) is a milestone towards a learning organisation. TQM's main tenets are the pursuit of continuous improvement. TQM is also known as Total Quality Control (TQC) and is a management tool for improving total performance. TQC is to organise Kaizen activities involving everyone in a company – managers and workers in a totally systemic and integrated effort toward improving performance at every level. TQM enables organisations to focus on meeting and satisfying customer needs by improving processes, understanding the internal customer concept, involving each individual employee, implementing organisational wide training and development and concentrating on improvements in cost, quality and customer satisfaction (Evans and Lindsay, 1999; Luthans, 1998; Imai, 1986). Organisational learning is an intended outcome of TQM, and there is a correlation between process improvement and organisational learning (Barrow, 1993). Continuous improvement and total quality management is aimed to achieve incremental innovation, therefore, a learning organisation dedicates to incremental innovation through effective learning mechanisms. It has been thus argued that TQM and learning organisations are mutually dependent (Ford, 1991).

Continuous improvement and total quality management consisted of varied components such as changing environment, competitiveness, aggressive, activities operation, quality performance standards, monitor, internal performance reviews and system audits, expansion of capacity, information, status quo, open concept, creativity, innovative, risk-taking, continuous improvement etc. It has been tried to assess the status of continuous improvement and total quality management opportunities in Nepalese enterprises, both from financial and tourism sectors by using these indicators. The result showed that the overall status was moderately satisfactory with majority agreeing to the existence of the opportunities but few dimensions did not show satisfactory result.

Relatively, the responses were more satisfactory for the statements 'organisation is always on a continuous improvement'; 'organisation continuously makes efforts to expand its capacity, quality and competitiveness' and 'without the constant pursuit of quality enhancement, the success of this organisation is not possible' with the mean values ranging from 3.91 to 4.14. The first and second versions have the same mean value of 3.91 which was very similar to each other. Hence, it can be explained that there is necessity of continuous improvement, organisation continuously makes efforts to expand its capacity, quality and competitiveness and without the constant pursuit of quality enhancement, the success of the organisation is not possible.

Poor response was noted for ' does not need to become much more aggressive and much more competitive' and 'activities and programs are regularly organised to provide opportunities for learning' with the mean values ranging from 2.53 to 3.46. The response symbolised that it is need to become much more aggressive and much more competitive opportunities and activities and programs should held properly to provide opportunities for learning both in the tourism and financial sectors.

Moderate rating was noted in changing environment, activities operation, quality performance standards, monitor, internal performance reviews and system audits, information, status quo, open concept, creativity, innovative, risk-taking.

Overall, the rating indicated relatively satisfactory situation with the mean value of 3.59 to 3.85. In respect to factors like, internal performance reviews and system audits, expansion of capacity, quality and competitiveness, becoming more aggressive and competitiveness, quality performance standards are fixed and monitored continuously and continuous improvement, the ratings were more than 3.5 mean values. Therefore, it may be deduced as moderately satisfactory.

However, the response did not indicate that continuous improvement and total quality management environments are in a really encouraging stage as the mean values were well below fully agreed. In spite of this, it may be stated that there are adequate opportunities in Nepalese enterprises to enhance continuous improvement and total quality management.

Table No. 4.4

The difference in response between the tourism and financial sector was hardly noticeable, meaning that so far continuous improvement and total quality management are concerned; the scenario were similar in both the sectors except few cases. To some extent financial sector with the mean value 3.74 is one step beyond the tourism sector with the mean value of 3.57 pursuing the continuous improvement and total quality management approach.

P-values computed also proved the point. Again, the overall p-value = 0.257 shows that there is a difference in the response between the financial and the tourism sectors.

The response has been further analysed by stratifying the respondents in terms of age, sex, experience, education and sectors or activities.

Age

In terms of age group, continuous improvement and total quality management of higher age group comprised high mean value but low in lower and 41-50 age groups. The response tended to be similar among the lower and 41-50 age groups. There was no difference and these groups rated comparatively more agreed to the statements indicating continuous improvement and total quality management.

It indicated that officers with lower and 41-50 age groups did not seem to agree adequately that continuous improvement and total quality management environment were satisfactory. The response of 31-40 and higher groups were more satisfactory.

Sex

In terms of sex, it indicated that the response of male was higher than female for continuous improvement and total quality management opportunities. Thus, it proves that males showed greater desire for continuous improvement and total quality management than females. Continuous improvement and total quality management of the organisation were pursued by the males. The result showed that females have lesser pursuance than males in this respect.

Work Experience

In terms of experience, the result was somewhat intresting. Officers with lower, medium 6-10 group and higher experience group respondents have near about similar mean values.

However, the respondents with 6-10 experience groups have low mean value and indicated that the response of officers with 6-10 experience groups did not seem to agree adequately that continuous improvement and total quality management environment were satisfactory. But the response of 11-15 years experience group was more satisfactory.

Education

Continuous improvement and total quality management of above master education group recorded higher mean value indicating higher level of satisfaction with the situation of continuous improvement and total quality management but low in master education group.

However, the responses were similar among the education groups of below graduate, graduate and master groups.

It indicated that above master education group seemed to agree adequately with the statement that continuous improvement and total quality management environments were satisfactory.

But master level groups did not seem to agree that continuous improvement and total quality management environment were adequately satisfactory. The response of the above master group was more satisfactory.

Sector

Continuous improvement and total quality management of the respondents of financial sector group recorded higher mean value of 3.74 but low in tourism service group with the mean value of 3.57. So, in respect to continuous improvement and total

quality management financial sector group of Nepal seemed to be more satisfying than the tourism sector.

In respect to two sectors selected, satisfaction with continuous improvement and total quality management opportunities of tourism sub sector was higher in the airlines sector than with the other groups. The response was similar among the trekking and finance groups.

It indicated that NTB and travel agency sector did not seem to agree that continuous improvement and total quality management environment was adequately satisfactory.

But the respondents from airlines and banks and insurance seemed to agree that continuous improvement and total quality management environments were adequately satisfactory. The response of airlines sector was more satisfactory although it was below fully agreed level.

Continuous improvement and total quality management of sub sector showed higher mean value in airlines, banks and insurance but low in NTB and travel agency groups.

The response tended to be similar among the trekking, hotel and finance groups. Again, NTB and travel agency groups recorded the nearly the same mean value.

It indicated that the officers with NTB and travel agency sectors did not seem to agree that continuous improvement and total quality management environment were adequately satisfactory.

But trekking, hotel and finance sub sectors seemed to agree adequately that continuous improvement and total quality management environment were satisfactory. The response of airlines, banks and insurance sub sectors were more satisfactory.

Continuous improvement is a process that involves everyone, employees and managers alike that involves rearranging and redesigning of elements of the organisation, it requires the continuous rethinking of the patterns that connect and relate different elements of the organisation and connect them with the environment, it is a process that bundles together data collection, interpretation, research, experimentation and diffusion,

and it involves the individual, the team and the total organisation. According to Imai (1986), the five main elements of Kaizen are teamwork, personal discipline, improved morale, quality circles and suggestions for improvement. It has focused on quality, effort, involvement of all employees, willingness to change and communication. Kaizen is the Japanese strategy of continous improvement (change for the better) and total quality management (TQM), influenced in part by American business and quality management teachers, which calls for never-ending efforts for improvement involving everyone in the organisation- managers and workers alike. The success of Toyota and Canon companies is mainly attributed to the contribution of Kaizen strategy.

Continuous improvement is recognised as an important aspect in Nepal's organisational development. It is similar to the findings of a survey in Australia (Oliver, 2009). Yoram Mitki, A. B Shani and Zvi Meiri (1997) and Masaaki Imai (1986) emphasised that continuous improvement is an integral part of organisational life and business competitive strategy. Further, the findings of the present study are similar to the findings of Savolainen, and Haikonen of Finland (2007) suggested that the learning process is characterised by measurement, detection and correction of errors, and cost reduction and continuous improvement occurs through these procedural practices which form a structure for sustaining learning.

Overall, the continuous improvement and total quality management environment in Nepalese enterprises are satisfactory and find the success of the organisation depends on the constant pursuit of quality enhancement, expand its capacity and competitiveness.

4.6 Knowledge Management (KM)

Knowledge management is an essential variable to be undertaken for studying the learning environment. It contributes to better decision-making capability (McKenzie, Winkelen and Grewal, 2011). Organisational learning and knowledge management are two parallel-developed concepts in the new economy and often refer to each other in their definitions and practices.

Organisational learning is referred to as the changes in the state of knowledge (Lyles, 1992 and 1988), and involves knowledge acquisition, dissemination, refinement,

creation and implementation: the ability to acquire diverse information and to share common understanding so that this knowledge can be exploited (Fiol, 1994; Argyris, 1989,1993 and 1995), and the ability to develop insights, knowledge, and to associate among past and future activities (Fiol and Lyles, 1985). Bierly et al. (2000) defined learning is the process of linking, expanding, and improving data, information, knowledge and wisdom. There is further evidence that organisational learning, organisational culture and knowledge management correlate (Singh and Sharma, 2011).

Organisational knowledge is stored partly into individuals in the form of experience, skills and personal capability, and partly into the organisation, in the form of documents, records, rules, regulations and standards, etc. (Weick and Roberts, 1993). Part of knowledge between an organisation and individuals is complementary and part of it incongruent to each other's belief systems.

Organisational memory maintains the organisational knowledge base, acts as the foundation of knowledge accumulation and creation, and reflects the absorptive capability of organisations. Therefore, to create learning environment between individuals and the organisation to facilitate interaction and strengthening of each other's knowledge base becomes the main task for management (Adler et al., 1999). Only recently has organisational learning been essentially linked to knowledge creation.

The understanding of the impact of organisational learning on knowledge management can be taken from the 'ontological dimension' of Nonaka and Takeuchi' s knowledge creation model, which is the process of knowledge transfer among individual, group, organisational and inter-organisational levels (Nonaka and Takeuchi, 1995). It is increasingly important that the learning process moves on to a higher level of triple-loop learning, which, combined with organisational unlearning, leads to knowledge creation.

Knowledge management consisted of different components such as investing resources for creating knowledge, expertise, taking advice, information dissemination, interaction, continuous education and learning, discussion, work processes and system revisited and updated for improvement, techniques method and ideas are adopted, knowledge utilisation, competitive advantage, ability, socialisation activities, total quality management etc.

It has been tried to assess the status of knowledge management opportunities in Nepalese enterprises, both at financial and tourism sectors. The result showed that the overall status was moderately satisfactory with majority agreeing to the existence of the knowledge management opportunities but few dimensions did not show satisfactory result.

Relatively, the responses were more satisfactory for the statements ' competitive advantage is based on the organisation's ability to integrate the individual's specialised knowledge' and 'new techniques, methods and ideas are adopted when needed for improvement' with the mean values ranging from 3.66 to 3.79. The highest mean value stated that the organisation ready to adopt new techniques, methods and ideas for improvement as per needed. Similarly, they found competitive advantage is based on the organisation's ability to integrate the individual's specialised knowledge.

Poor response was noted for 'organisation does not emphasise continuous education and learning' and ' knowledge and expertise of individuals are not utilised to the fullest extent possible' with the mean values ranging from 2.69 to 3.13. The response symbolised that there is emphasis on continuous education and learning and knowledge and expertise of individuals are utilised to the fullest extent possible. Nonetheless, the responses were similar in the tourism and financial sectors respectively.

Moderate rating was noted in creating knowledge, expertise, taking advice, information dissemination, interaction, discussion, knowledge utilisation, competitive advantage, ability, socialisation activities.

Overall, the rating indicated moderate satisfaction situation with the mean value of 3.23 to 3.64. In respect to factors like, work processes and system are revisited and updated regularly for improvement and new technique, methods and ideas are adopted when needed for improvement, the ratings were more than 3.5 mean values except some few. Therefore, it may be deduced as moderately satisfactory.

However, the response did not indicate that knowledge management environment is in a really encouraging stage as the mean values were well below fully agreed. In spite of this, it may be stated that there are some opportunities in Nepalese enterprises to enhance knowledge management.

The difference in response between the tourism and financial sector was hardly noticeable, meaning that so far knowledge management is concerned; the scenario was similar in both the sectors except few cases. To some extent, tourism sector is one step beyond the financial sector pursuing the knowledge management approach.

P-values computed also prove the point. Again, the overall p-value = 0.362 shows that there is a difference in the response between the financial and the tourism sectors.

The response has been further analysed by stratifying the respondents in terms of age, sex, experience, education and sectors or activities.

Table No. 4.5

Age

In terms of age group, knowledge management of higher age group comprised high mean value but low in below 30 age groups. The response tended to be similar among the 31-40 and higher age group as well as below 30 and 41-50 age groups.

There was no difference and these groups rated comparatively more agreed to the statements indicating knowledge management. It indicated that below 30 and 41-50 age groups did not seem to agree adequately that knowledge management environment was satisfactory. The response of 31-40 and higher age group were more satisfactory.

Sex

In terms of sex, it was found that the response of females recorded higher mean value than the males for knowledge management opportunities indicating males may not be enjoying similar opportunities as females. Thus, it showed that the females were slightly more benefitted than males in respect to knowledge management.

Work Experience

In terms of experience, the result showed that officers with the lower experience group respondents have near about similarity results of mean value 3.36 and 3.38. The respondents of 6-10 level experience groups have least mean value indicated less satisfaction of knowledge management.

In other word, it indicated that the response of 6-10 years experience group respondents did not seem to agree adequately that knowledge management environment was satisfactory. Officers with the 11-15 experience group respondents seemed to agree adequately that knowledge management environment was more satisfactory. The highest mean value indicated high satisfaction of knowledge management. The response of 16 or above experience group and below 5 groups was adequately satisfactory. But, the response of 11-15 experience groups was more satisfactory than other experience groups.

Education

Knowledge management of below graduate education group recorded higher mean value indicating higher level of satisfaction with the situation of knowledge management but low in graduate and master education group. The response was similar among the respondents of the education groups of graduate and master having same mean value of 3.38. It indicated that graduate and master did not seem to agree adequately with the statement that knowledge management environment was satisfactory. But the respondents of below graduate and above master level groups seemed to agree that knowledge management environment was adequately satisfactory. The response of below graduate group was more satisfactory.

Sector

Knowledge management of the tourism sector recorded higher mean value of 3.41 and but low in financial service group. So, tourism sector group of Nepal seemed to be more satisfying than in the financial sector in respect to knowledge management.

In respect to two sectors selected, satisfaction with knowledge management opportunities of tourism sector was higher in the hotel sector than in other groups. The response tended to be similar among the finance and NTB groups with the similar value of 3.30 and 3.31 respectively.

It indicated that finance and NTB sub sectors did not seem to agree that knowledge management environment was adequately satisfactory as other sectors because the mean values that carried out less than the above sub sectors.

But respondents from hotel, development bank, insurance and airlines sub sectors seemed to agree adequately that knowledge management environment was adequately satisfactory. The respondents from banks, travel agency, trekking, finance and NTB sectors didn't seem to agree that knowledge management environment was adequately satisfactory. The response of hotel was more satisfactory but well below fully agreed level.

Knowledge management of hotel group showed higher mean value but low in finance and NTB groups. The response tended to be similar among hotel, development

bank, insurance and airlines sectors as well as similar between finance, NTB, travel agency etc. Therefore, the response of hotel, development bank, insurance and airlines sectors were more satisfactory.

In Nepal, KM is in a formative stage. However, there is proper recognition of KM in Nepalese enterprises too. This, too a lot of extent, is not different from research findings of many. The findings of LaPlante (1997) suggested that KM is valuable in so far as it involves the practice of capturing an organisation's collective experiences. The results of Gold et al. (2001), Becerra-Fernandez and Sabherwal (2001), Holsapple (2005) and Lopez et al. (2004) showed the recognition and strategic imperative of Knowledge, increasing its complexity and rapid change in modern organisations that KM is still in a formative stage with differences in terminologies, emphases and boundaries and KM is difficult due to the number of approaches and disciplines.

Organisational learning and knowledge management have brought crucial novel insights into the field of strategic management (Voronov and Yorks, 2006) and managers in Nepalese enterprises too aspire such changes in the strategic management process. Catherine L. Wang and Pervaiz K. Ahmed (2003) and Jen-te Yang (2007) identified the relationship between organisational learning and knowledge management. It facilitates the transformation of collective individual knowledge to organisational knowledge appreciation (explicit and implicit intellectual capital) and enhance the outcomes of organisational learning can positively influence and significantly contribute to the enrichment of organisational effectiveness as assets and this recognition persists in Nepalese enterprises too. The findings revealed that managers in Nepalese enterprises have emphasised the need for employees in OL and KM activities.

The results of Currie and Kerrin (2003) suggested that the employees engage in OL and KM activities to enhance OP and support a positive relationship between OL and KM and a positive influence of KM and OL on OP. In addition, Zellmer-Bruhn and Gibson (2006), Hanvanich et al. (2006), Ruiz-Mercader et al. (2006), Lin and Tseng (2005), Bogner and Bansal (2007) and Lee and Lee (2007) suggested that OL and KM are direct sources for performance improvement. Garcia-Morales et al. (2006), Aldawni and Palvai (2002), Andersen (2006), Lin and Kuo (2007) added the necessity of

strengthening employees' capabilities in order to overcome obstacles within an organisation and facilitate OL in order to enhance OP**.**

Shared vision has significant impact on OL (Hoe, 2007). The research suggested that knowledge sharing would facilitate the transformation of collective individual knowledge to organisational knowledge. Knowledge sharing and organisational learning affect organisational effectiveness (Yang, Taiwan, 2007). The need for shared vision is adequately realised in Nepalese enterprises too.

Overall, the value of knowledge management environment in Nepalese enterprise is moderately satisfactory and finds the necessity of new techniques, methods and ideas to improve the organisation.

4.7 Overall Status of Organisational Learning (OL)

It has described earlier that collective learning, culture and metaphor, process and system, continuous improvement and total quality management, knowledge management are recognised as the factors of organisational learning in conceptual framework of introduction chapter.

Table No. 4.6 Overall Status of Organisational Learning (OL)

S.N.	Variables	Finance	Tourism	Total
1.	CL	3.77	3.86	3.82
2.	CM	3.58	3.62	3.60
3.	PS	3.52	3.46	3.49
4.	CITQM	3.74	3.57	3.66
5.	KM	3.38	3.41	3.40
Total	OL	3.60	3.59	3.60

Source : Field Survey, 2009

So, the total mean values of the factors of organisational learning (collective learning, culture and metaphor, process and system, continuous improvement and total quality management, knowledge management) is 3.60 and seemed to agree that organisational learning is adequately satisfactory. Comparing the results between the two sectors, indicated that the organisational learning of the financial sector recorded higher mean value of 3.60 and seemed to be relatively more satisfying than the tourism sector with the mean value of 3.59. So, financial sector group of Nepal seemed to be more satisfying than the tourism sector in respect to organisational learning. However, the difference, as mentioned in other aspects, is small. Among the OL variables, CL, CM and CITQM in Nepalese enterprises were found to be more satisfactory than PS and KM in the result of OL.

The research on organisational learning has been going on for over fifty years worldwide, however, it is relatively a recent concept in Nepalese enterprises though some form of it may have been practiced since long. But now, the importance of organisational learning is flourishing day by day among Nepalese people. It revealed that the age of organisational education level, experience and exposure of employees and demographic variables tend to affect OL which is similar to the findings of the study of Graham and Nafukho (2007) who showed that the relationship between four independent variables educational level, longevity, type of enterprise, and gender and the dependent variable culture, as a dimension that explains organisational learning readiness in enterprises. The patterns of integration among individuals and groups seem to be well represented, reflecting higher-level learning routines (Murray, Syed, and Roberts, 2009). The growth, learning and sustainability paradoxes present a number of challenges to organisational learning capacities (Edwards, 2009; Harris, Connolly and Feeney, 2009). Organisational learning in relation to service improvement is influenced by the interplay between the way data are gathered through customer feedback mechanisms and implemented at a branch or business unit level. The implementation depends on attitudes of middle management towards such mechanisms (Caemmerer and Wilson, 2010).

Venugopal and Baets (1995) observed that when case-based reasoning systems, knowledge-based systems, cognitive mapping systems, and neutral networks are integrated and made available together with the other advanced IT tools; they can support

and enhance some of the organisational learning processes. These factors in most cases were identified in Nepalese enterprises too as determinants of OL. Organisational learning needs to be supported as external environments and internal dynamics of organisations become more complex. Overall, the organisational learning environment in Nepalese enterprise is satisfactory.

4.8 Organisational Performance (OP)

Organisational performance is another key element for the improvement to the organisation. As perceived by a number of management scientists (Sveiby, 1997; Ehin, 2000; Sullivan, 2000; Edvinsson and Malone, 1997; Stewart, 1997), knowledge and competence are regarded as examples of organisational success.

In the intangible asset management literature, such an emphasis on knowledge management is largely related to intellectual capital, the new organisational wealth as termed by some (Stewart, 1997; Sveiby, 1997; Sullivan, 2000).

A rapidly changing economic environment, characterised by such phenomena as the globalisation and deregulation of markets, changing customer and investor demands, and ever-increasing product-market competition, has become the norm for most organisations. To compete, they must continually improve their performance by reducing costs, innovating products and processes, and improving quality, productivity and speed to market. With this special research forum on organisational performance, we hope to contribute to a better understanding about creating and sustaining organisational performance and competitive advantage (Becker and Gerhart, 1996).

One of the original reasons for the rise of interest in the concept of organisational commitment was the persistent inability to find a strong association between satisfaction and performance (Iafaldano and Muchinsky, 1985). It was needed a more organisation centered and potentially more stable concept and commitment to the organisation seemed to offer this promise.

However, after more than two decades of research, organisational commitment appears to be no more strongly associated with performance than job satisfaction, though

both show a consistent association with lower labour turnover (Mathieu and Zajac, 1990; Meyer and Allen, 1997).

There is no general theory about performance per se. However, there are a number of approaches and models, often built on specific disciplinary perspectives, such as economics, psychology or production management, which help us to understand and classify aspects of performance. This is not an easy task.

In the field of organisational behaviour, measurement of performance is often described as the criterion problem. It can begin to make sense of performance by highlighting a number of distinctions. First, it can focus on issues concerning the content of performance. Second, it can consider the types of data. Third, it can consider linkages within a broad view of performance and thereby begin to explore causal links between human resource management (HRM) and performance (Guest, 2001).

Innovation and competitiveness was measured by seven items based on Kaplan and Norton (1992), Slater and Narver (1995), Cumby and Conrod (2001) and Bontis et al. (2002). And economic/financial performance was measured by four perceptual items. As with obtaining other types of sensitive data, identifying optimal measures for a firm's financial performance is inherently problematic.

Given the potential competitive implications of revealing such information, it is not surprising that many respondents are hesitant to report information pertaining to such indicators as profitability and ROI. In order to avoid the omission of sensitive performance data, a more indirect approach for collecting the data was utilised.

Instead of directly asking respondents to report objectives measures of their firm's financial performance, they were asked to report their satisfaction level with their firm's performance in terms of profitability, sales growth, profit growth and sales margin. Similar indirect measures of firm performance have been used in prior strategy research when financial statement data are either unavailable or when they do not allow for accurate comparisons amongst firms (Dess, 1987; Powell, 1992; Powell and Dent-Micallef, 1997; Spanos and Lioukas, 2001; Tippins and Sohi, 2003).

Likewise, research has shown that perceived measures of performance can be a reasonable substitute for objective measures of performance (Dess and Robbinson, 1984)

and have a significant correlation with objective measures of financial performance (Lawrence and Lorsch, 1987; Hansen and Wernefelt, 1989; Lyles and Salk, 1997).

A five-point Likert scale (with 5= fully agree, to 1=fully disagree) has been used for each of the statements. By these indicators it is derived the organisational performance factor.

Organisational performance consisted of different components such as profit earning, sales, income, continuous growth, market share improving, performance, competition, satisfaction, good image, productivity encouragement etc.

It has been tried to assess the status of organisational performance opportunities in Nepalese enterprises, both from tourism and financial sectors.

The result showed that the overall status was moderately satisfactory with majority agreeing to the existence of the organisational performance opportunities but few dimensions did not show satisfactory result.

Relatively, the responses were more satisfactory for the statements 'organisation is attaining growth in sales and profits' and 'organisation has a good public image' with the mean values ranging from 4.02 to 4.18.

This highest mean values showed that growth in sales and profits are the main factor of the organisation and there is most importance of public image.

Poor response was noted for 'organisation is not performing so well in the current situation' and ' organisation is lagging behind the competitors in the market' with the mean values ranging from 2.49 to 2.59.

The response symbolised that organisation is performing well in the current situation and organisation is not lagging behind the competitors in the market both in the financial and tourism sectors.

Table No. 4.7

Moderate rating was noted for profit earning, sales, income, market share improving, satisfaction, productivity encouragement.

Overall, the rating indicated relatively satisfactory situation with the mean value of 3.62 to 3.85. In respect to factors like, organisation is attaining continuous growth, improvement of market share, performance in market, satisfaction of job and good public image, the ratings were more than 3.5 mean values. Therefore, it may be deduced as moderately satisfactory.

However, the response did not indicate that organisational performance environment is in a really encouraging stage as the mean values were well below fully agreed. In spite of this, it may be stated that organisational performance appeared to be satisfactory.

The difference in response between the financial and the tourism sector was hardly noticeable, meaning that so far organisational performance is concerned; the scenario was similar in both the sectors except few cases. To some extent, the financial sector is one step beyond the tourism sector pursuing the organisational performance approach.

P-values computed also prove the point. Again, the overall p-value of 0.315 shows that there is a difference between financial and tourism sector responses.

The response has been further analysed by stratifying the respondents in terms of age, sex, experience, education and sectors or activities.

Age

In terms of age group, organisational performance of 31-40 age groups and higher age group comprises high mean value of 3.65and 3.60 but low in upto 30 age groups of mean value 3.55. The responses of upto 30 and 41-50 age groups rated comparatively moderately agreed to the statements indicating organisational performance. It indicated 31-40 age groups and higher age groups seemed to agree more adequately that organisational performance environment was more satisfactory.

Sex

In terms of sex, the response of females recorded higher mean value of 3.61 that explains for the organisational performance. It disclosed that females may be more concerned about the organisational performance than males. However, the difference was only marginal.

Work Experience

In terms of experience, the result was somewhat interesting. Officers with lower experience and higher experience group respondents have similarity results of mean value 3.60. Officers with 6-10 level experience respondents have least mean value indicated less satisfaction of knowledge management.

In terms of experience, the result was interesting in the sense that lower and above 16 experience group respondents have the same mean value of 3.60. The respondents of 11 to 15 years experience group have higher mean value but 6-10 experience group recorded low mean value or showed dissatisfaction. It indicated that the response of 6-10 experience group did not seem to agree adequately with the statement that organisational performance environment was satisfactory. The response of 11-15 experience group seemed to agree adequately satisfactory and again the response 11-15 experience group of experience group was more satisfactory.

Education

Organisational performance of above master education group showed higher mean value indicating higher level of satisfaction with the situation of organisational performance but low in master education group. The response was similar among the education groups of below graduate and graduate groups. It indicated that master group did not seem to agree adequately with the statement that organisational performance environment was satisfactory than other groups. The response of below graduate and graduate group was more satisfactory. But the response of above master level groups seemed to agree that organisational performance environment was adequately satisfactory.

Sector

Organisational performance of financial sector group recorded higher mean value of 3.65 but low in the tourism service group with the mean value of 3.55. So, the financial sector group of Nepal seemed to be more satisfying than the tourism sector in respect to organisational performance.

In respect to two sectors selected, satisfaction with organisational performance opportunities of financial was higher in the insurance sub sector than other groups. It indicated that NTB sector did not seem to agree that organisational performance environment was adequately satisfactory as other sectors because the mean values that carried out less than the above sub sectors. The respondents from insurance seemed to agree that organisational performance environment was adequately satisfactory. The response of development bank and hotel was more satisfactory.

Organisational performance of insurance group recorded higher mean value but low in NTB group. The response tended to be similar among the development bank, hotel and as well as among airlines, trekking and bank etc. It indicated that NTB, travel agency, and finance etc did not seem to agree that organisational performance environment was adequately satisfactory. But the response of insurance, development bank and hotel etc seemed to agree adequately that organisational performance environment was satisfactory. The responses of them were more satisfactory.

It may be concluded from this study that the status of organisational learning strongly influences OP. This finding has been supported by many other research findings. Khandekar and Sharma (2006) and Loo (2006), Lin and Kuo (2007), Mintzberg et al. (1995), Murray (2003), Yeo (2003), Venkatraman and Ramanujam (1986), Delaney and Huselid (1997), Andersen (2006), Lee and Lee (2007) and Lopez, Peon and Ordas (2005) revealed that organisational learning has a positive correlation with organisational performance and sustainable competitive advantage.

The relationship between organisational learning and business results correlate with higher business performance and are similar with the findings of Ulrich et al. (1993) and Denton (1998) that organisational learning is the key to success in all the areas of organisational performance. Richard Dealtry (2009) found the successful design and

management of high performance work-based lifelong learning processes. Results of Farrell, Oczkowski and Kharabsheh (2008) suggested that organisational learning facilitates organisational performance in joint ventures enterprises in Australia.

Zallocco, Pullins and Mallin (2009) found the gaps appear in between OL and OP. The study of Pham, and Swierczek (2006) found that the impact of leadership commitment was significantly related to both performance and organisational climate. There is a positive impact on the organisational learning process and outcome.

The findings of Jorgen A. Jensen, Denmark (2004) found that the organisational learning has positive relation with mental models, learning and performance. The quality of thinking and acting correlates positively with the quality of performance. In Nepal too, organisational learning is found to positively correlate with organisational performance as is the case with most of the other researches.

The overall organisational performance environment is satisfactory in Nepalese enterprises even the differences in most of the cases barring a few were only marginal.

4.9 Overall Status of Organisational Performance (OP)

The overall sector of organisational performance showed that financial sector recorded higher mean value of 3.65 and seemed to be more satisfying than the tourism sector of 3.55 mean value. Even though, there is only marginal difference between them.

The figure of the overall status of organisational performance is given below:

Table No. 4.8 Overall Status of Organisational Performance (OP)

S.N.	Factors	Finance	Tourism	Total
1.	Sales(revenue)	4.09	3.95	4.02
2.	Growth in Profits	4.23	3.81	4.02
3.	Market Share	4.03	3.68	3.85
4.	Not Performing Well	2.29	2.69	2.49
5.	Performance	3.67	3.57	3.62
6.	Satisfaction	3.89	3.78	3.83
7.	Public Image	4.21	4.15	4.18
8.	Productivity	3.83	3.75	3.79
9.	Lagging Behind Competition	2.59	2.59	2.59
Total	OP	3.65	3.55	3.60

Source: Field Survey, 2009

The total mean values of the factors of organisational performance (sales, growth profits, market share, not performing well, performance, satisfaction, public image, productivity, lagging behind etc.) is 3.60 and seemed to agree that organisational performance is adequately satisfactory.

The organisational performance of the financial sector recorded higher mean value of 3.65 and seemed to be more satisfying than the tourism sector of mean value of 3.55.

So, the financial sector group of Nepal seemed to be more satisfying than the tourism sector in respect to organisational performance.

4.10 Comparison between the Total Status of OL and OP

The comparison between the total status of OL and OP is described as given below:

Table No. 4.9 Total Status of OL and OP

S.N.	Variable	Finance	Tourism	Total
1.	OL	3.60	3.59	3.60
2.	OP	3.65	3.55	3.60

Comparison between the results between the two sectors indicated that the financial sector recorded higher mean value and seemed to be relatively more satisfying than the tourism sector. However, the difference, as mentioned in other aspects, is small. It also showed that organisational learning and organisational performance is highly correlated with equal value of 3.60 each. So it is perfectly related with each other. Therefore, there is a strong relationship between organisational learning and organisational performance. Hence, it may be deduced that organisational learning affects organisational performance.

4.11 Test of Hypotheses

Hypotheses have been tested using the regression model. First of all, the relationship of all individual variables i.e. collective learning, culture and metaphor, process and system, continuous improvement and total quality management and knowledge management with organisational performance has been calculated vis a vis organisational performance variables.

Along with, all these independent variables are also regressed with the organisational performance using the multiple regression models to assess the relative importance of the independent variables.

4.11.1 Relationships between Organisational Learning (OL) and Organisational Performance (OP)

Hypothesis 1.

Independent variable collective learning is regressed with the organisational performance using the multiple regression models to assess the relative importance of the independent variable.

Null Hypothesis H_0: There is no significant difference between collective learning and organisational performance.

Alternative Hypothesis H_1: There is a significant difference between collective learning and organisational performance.

Taking organisational performance as dependent variable Y and collective learning as independent variable X, the regression equation has been estimated as:

For selected companies,

$Y = 16.758 + .216x$

$t = (9.670) \quad (9.088)$

$P = (.000) \quad (.000)$

$R^2 = 0.217$ Adjusted $R^2 = 0.214$ $F_{(1\ 298)} = 82.593$ $df = 298$

p- value for overall significance = .000

The calculated value of $F_{(1\ 298)} = 82.593$ is higher than the critical (tabulated) value of $F_{(1\ 298)} = 6.63$ meaning that F value is significant at 0.01 level. It shows the existence of regression between the selected independent variable collective learning and organisational performance. There is a relationship between collective learning and organisational performance. So, collective learning affects organisational performance.

The R^2 is low at 0.217, which means that only 21.7% variability in organisational performance is explained by collective learning. So, the factor contributes to organisational performance to a small extent only. The resulting sign is in conformity with the priori meaning that the results are in expected lines.

In respect to individual variable, the calculated value of t_{298} = 9.088 is higher than the critical value of t_{298} = 2.3263 at 0.01 level of significance. The calculated p-values of t - statistics are significant with .000 for the constant as well as the independent variable. It shows that the selected independent variable explain organisational performance. Hence, there is no significant difference between collective learning and organisational performance.

The overall calculated p-value is .000 which is significant at 1 % level of significance. The above calculation shows that there is a significant relationship between organisational performance and collective learning. Therefore, the null hypothesis is accepted. It shows that collective learning is related to organisational performance. It indicates that collective learning contributes to enhancing the organisational performance.

Hypothesis 2.

Independent variable culture and metaphor are also regressed with the organisational performance using the multiple regression models to assess the relative importance of the independent variable.

Null Hypothesis H_0: There is no significant difference between culture and metaphor and organisational performance.

Alternative Hypothesis H_1: There is a significant difference between culture and metaphor and organisational performance.

Taking organisational performance as dependent variable Y and culture and metaphor as independent variable X, the regression equation has been estimated as:

For selected companies,

Y = 18.202 + .219x

t = (12.988) (10.232)

P = (.000) (.000)

R^2 = 0.260 Adjusted R^2 = 0.257 $F_{(1\ 298)}$ = 104.687 df = 298

p- value for overall significance = .000

The calculated value of $F_{(1\ 298)}$ = 104.687 is higher than the critical value or the table value of $F_{(1\ 298)}$ = 6.63 meaning that F value is significant at 0.01 level. It shows the existence of regression between the selected independent variable culture and metaphor and organisational performance. There is a relationship between culture and metaphor and organisational performance. So, culture and metaphor affect organisational performance.

The R^2 is low at 0.260, which means that only 26% variability in organisational performance is explained by culture and metaphor. So, the factor contributes to organisational performance to a small extent only. The resulting sign is in conformity with the priori meaning that the results are in expected lines.

In respect to individual variable, the calculated value of t_{298} = 10.232 is higher than the critical value of t_{298} = 2.3263 at 0.01 level of significance. The calculated p-value of t- statistics .000 shows significance for the selected independent variable as well as the constant. It shows that the selected independent variable explain organisational performance. Hence, there is no significant difference between culture and metaphor and organisational performance.

The overall calculated p-value is .000 which is significant at 1 % level of significance. The above calculation shows that there is a significant relationship between organisational performance and culture and metaphor. Therefore, the null hypothesis is accepted. It shows the CM is related to OP. It indicates that culture and metaphor contribute to enhancing the organisational performance.

Hypothesis 3.

Independent variable process and system are also regressed with the organisational performance using the multiple regression models to assess the relative importance of the independent variables.

Null Hypothesis H_0: There is no significant difference between process and system and organisational performance.

Alternative Hypothesis H_1: There is a significant difference between process and system and organisational performance.

Taking organisational performance as dependent variable Y and process and system as independent variable X, the regression equation has been estimated as:

For selected companies,

Y = 17.654 + .211x

t = (15.554) (13.162)

P = (.000) (.000)

R^2 = 0.368 Adjusted R^2 =0.365 $F_{(1\ 298)}$ = 173.235 df = 298

p- value for overall significance = .000

The calculated value of $F_{(1\ 298)}$ = 173.235 is higher than the critical value or the table value of $F_{(1\ 298)}$ = 6.63 meaning that F value is significant at 0.01 level. It shows the existence of regression between the selected independent variable process and system and organisational performance. There is a relationship between process and system and organisational performance. So, process and system affect organisational performance.

The R^2 is low at 0.368, which means that only 36.8% variability in organisational performance is explained by process and system. The resulting sign is in conformity with the priori meaning that the results are in expected lines.

In respect to constant and individual variable, the calculated t-values of 15.554 and 13.162 for the constant and the independent variable respectively are higher than the critical value of t_{298} = 2.3263 at 0.01 level of significance. The calculated p-values of t-statistics for the constant as well as the independent variable are .000 which is significant at 1% level of significance. It shows that the selected independent variable explain organisational performance. Hence, there is no significant difference between process and system and organisational performance.

The overall calculated p-value is .000 which is significant at 1 % level of significance. The above calculation shows that there is a significant relationship between organisational performance and process and system. Therefore, the null hypothesis is

accepted. It indicates that process and system contribute to enhancing the organisational performance.

Hypothesis 4.

Independent variable continuous improvement and total quality management are also regressed with the organisational performance using the multiple regression model to assess the relative importance of the independent variables.

Null Hypothesis H_0: There is no significant difference between continuous improvement and total quality management and organisational performance.

Alternative Hypothesis H_1: There is a significant difference between continuous improvement and total quality management and organisational performance.

Taking organisational performance as dependent variable Y and continuous improvement and total quality management as independent variable X, the regression equation has been estimated as:

For selected companies,

Y = 15.564 + .460x

t = (12.020) (13.132)

P = (.000) (.000)

R^2 = 0.367 Adjusted R^2 =0.364 $F_{(1\ 298)}$ = 172.459 df = 298

p- value for overall significance = .000

The calculated value of $F_{(1\ 298)}$ = 172.459 is higher than the critical value or the table value of $F_{(1\ 298)}$ = 6.63 meaning that F value is significant at 0.01 level. It shows the existence of regression between the selected independent variable continuous improvement and total quality management and organisational performance. There is a relationship between continuous improvement and total quality management and organisational performance. So, continuous improvement and total quality management affect organisational performance.

The R^2 is low at 0.367, which means that only 36.7% variability in organisational performance is explained by continuous improvement and total quality management. The

resulting sign is in conformity with the priori meaning that the results are in expected lines.

In respect to individual variable, the calculated t- value of 13.132 is higher than the critical value of t_{298} = 2.3263 at 0.01 level of significance. The calculated p-value of t-statistics .000 shows significance for the selected independent variable as well as the constant. It shows that the selected independent variable explain organisational performance. Hence, there is no significant difference between continuous improvement and total quality management and organisational performance.

The overall calculated p-value is .000 which is significant at 1 % level of significance. The above calculation shows that there is a significant relationship between organisational performance and continuous improvement and total quality management. Therefore, the null hypothesis is accepted. It indicates that continuous improvement and total quality management contribute to enhancing the organisational performance.

Hypothesis 5.

Independent variable knowledge management is also regressed with the organisational performance using the multiple regression models to assess the relative importance of the independent variable.

Null Hypothesis H_0: There is no significant difference between knowledge management and organisational performance.

Alternative Hypothesis H_1: There is a significant difference between knowledge management and organisational performance.

Taking organisational performance as dependent variable Y and knowledge management as independent variable X, the regression equation has been estimated as:

For selected companies,

Y = 13.393 + .400x

t = (10.232) (14.652)

P = (.000) (.000)

R^2 = 0.419 Adjusted R^2 = 0.417 $F_{(1\ 298)}$ = 214.693 df = 298

p- value for overall significance = .000

The calculated value of $F_{(1\ 298)}$ = 214.693 is higher than the critical value or the table value of $F_{(1\ 298)}$ = 6.63 meaning that F value is significant at 0.01 level. It shows the existence of regression between the selected independent variable knowledge management and organisational performance. There is a relationship between knowledge management and organisational performance. So, knowledge management affects organisational performance.

The R^2 is low at 0.419, which means that only 41.9% variability in organisational performance is explained by knowledge management. The resulting sign is in conformity with the priori meaning that the results are in expected lines.

In respect to individual variable, the calculated t-value of 14.652 is higher than the critical value of t_{298} = 2.3263 at 0.01 level of significance. The calculated p-values of t - statistics are significant with .000 for the constant as well as the independent variable. It shows that the selected independent variable explain organisational performance. Hence, there is no significant difference between knowledge management and organisational performance.

The overall calculated p-value is .000 which is significant at 1 % level of significance. The above calculation shows that there is a significant relationship between organisational performance and knowledge management. Therefore, the null hypothesis is accepted. It indicates that knowledge management contributes to enhancing the organisational performance.

Hypothesis 6.

Again collective learning, culture and metaphor, process and system, continuous improvement and total quality management, knowledge management etc. independent variables are also regressed with the organisational performance at a once using the multiple regression model to assess the relative importance of the independent variables.

Null Hypothesis H_0: There is no significant difference between independent variables and organisational performance.

Alternative Hypothesis H_1: There is a significant difference between independent variables and organisational performance.

Taking organisational performance as dependent variable Y and collective learning, culture and metaphor, process and system, continuous improvement and total quality management, knowledge management as independent variable X (x_1, x_2, x_3, x_4, and x_5), the regression equation has been estimated as:

For selected companies,

$Y = 12.225 - .004x_1 - .026x_2 + .063x_3 + .174x_4 + .241x_5$

t = (7.850) (-.145) (-.770) (2.040) (3.149) (5.315)

P = (.000) (.885) (.442) (.042) (.002) (.000)

$R^2 = 0.465$ Adjusted $R^2 = 0.455$ $F_{(5, 294)} = 51.007$ df = 294

p- value for overall significance = .000

Note:

Y = Organisational Performance, OP

X_1 = CL = Collective Learning

X_2 = CM = Culture and Metaphor

X_3 = PS = Process and System

X_4 = CITQM = Continuous Improvement and Total Quality Management

X_5 = KM = Knowledge Management

There is a strong regression fit as shown by the calculated value of $F_{(5, 294)} = 51.007$ which is higher than the critical (tabulated) value of $F_{(5, 294)} = 3.02$ meaning that F value is significant at 0.01 level. It shows the existence of regression between the selected independent variables viz. collective learning, culture and metaphor, process and system, continuous improvement and total quality management, knowledge management and organisational performance. There is a relationship between independent variables and organisational performance. Thus, it can be said that there is a significant effect of the selected independent variables CL, CM, PS, CITQM and KM on OP.

The R^2 is 0.465, which means that only 46.5% variability in organisational performance is explained by identified independent variables.

The result of the specification also provides that signs of the coefficient have been obtained from the mode. Expected signs are derived in PS, CITQM and KM while in respect to CL and CM the signs are not as expected. The resulting signs are in conformity with priori for the variables process and system, continuous improvement and total quality management and knowledge management. However, the resulting signs are not in conformity with priori in respect to collective learning and culture and metaphor meaning that the expected relationship between collective learning and culture and metaphor on OP may not be as assumed in the totality situation.

In respect to constant, the calculated value of t_{294} = 7.850 is higher than the critical (tabulated) value of t_{294} = 2.3263 at 0.01 level of significance. The calculated p-value of t-statistics is .000 which is significant at 1% level of significance. However, the calculated p-values of t-statistics are different for other independent variables. In the case of PS, CITQM and KM the calculated values of t are 2.040, 3.149 and 5.315 respectively in which PS is higher than the tabulated value of t_{294} = 1.6449 and is significant at 5% level whereas CITQM and KM are higher than the tabulated value of t_{294} = 2.3263 and are significant at 1% level of significance. It shows that the selected independent variables explain the OP. The calculated p-value for the process and system x_3 is .042 which is significant at 5% level of significance. The calculated p-values for continuous improvement and total quality management CITQM x_4 and Knowledge management KM x_5 are .002 and .000 respectively which are significant at 1 % level of significance. It shows that PS, CITQM and KM variables explain organisational performance. Hence, there is no significant difference between process and system, continuous improvement and total quality management, knowledge management and organisational performance.

The above calculation shows that there is a significant relationship between them. Therefore, the null hypothesis is accepted. It indicates that the process and system, continuous improvement and total quality management and knowledge management contribute to enhancing the organisational performance.

In respect to the individual variables, the calculated value of t for CL and CM are - .145 and - .770 respectively which are less than the tabulated value of $t_{294} = 1.2816$ at 10% level of significance. So, they are not significant. Hence, they do not explain OP. The calculated p-values for collective learning (x_1) and culture and metaphor (x_2) are .885 and .442 respectively which are not significant. It shows that CL and CM variables do not explain organisational performance. Hence, there is a significant difference between collective learning and culture and metaphor and organisational performance.

The above calculation shows that there is no significant relationship between them. Therefore, the alternative hypothesis is accepted. It indicates that the collective learning and culture and metaphor partly contribute to enhancing the organisational performance.

However, the overall calculated p-value is .000 which is significant at 1 % level of significance. The above calculation shows that there is a significant relationship between independent variable and dependent variable. Therefore, the null hypothesis is accepted. It shows that independent variables are related to organisational performance. It may be deduced that independent variable organisational learning environment affects organisational performance.

Regression Analysis between OL and OP

Hypothesis 7.

Independent variable organisational learning is also regressed with the organisational performance using the multiple regression models to assess the relative importance of the independent variables.

Null Hypothesis H_0: There is no significant difference between organisational learning and organisational performance.

Alternative Hypothesis H_1: There is a significant difference between organisational learning and organisational performance.

Taking organisational performance as dependent variable Y and organisational learning as independent variable X, the regression equation has been estimated as:

For selected companies,

Y = 12.119 + .348x

t = (8.378) (14.125)

P = (.000) (.000)

R^2 = 0.401 Adjusted R^2 =0.399 $F_{(1\ 298)}$ = 199.519 df = 298

p- value for overall significance = .000

The calculated value of $F_{(1\ 298)}$ = 199.519 is higher than the critical value or the table value of $F_{(1\ 298)}$ = 6.63 meaning that F value is significant at 0.01 level. It shows the existence of regression between the selected independent variable organisational learning and organisational performance. There is a relationship between organisational learning and organisational performance. So, organisational learning affects organisational performance.

The R^2 is low at 0.401, which means that only 40.1% variability in organisational performance is explained by organisational learning. The resulting sign is in conformity with the priori meaning that the results are in expected lines.

In respect to individual variable, the calculated t_{298} = 14.125 is higher than the critical value of t_{298} = 2.3263 at 0.01 level of significance. The calculated p-values of t-statistics are significant with .000 for the constant as well as the independent variable. It shows that the selected independent variable explain organisational performance. Hence, there is no significant difference between organisational learning and organisational performance.

The overall calculated p-value is .000 which is significant at 1 % level of significance. The above calculation shows that there is a significant relationship between organisational performance and organisational learning. Therefore, the null hypothesis is accepted. It indicates that organisational learning contributes to enhancing the organisational performance.

4.11.2 Relationships between OL and OP in the Financial Sector

Again, hypotheses have been tested using the regression model in financial sector only. First of all, the relationship of all individual variables i.e. collective learning, culture and metaphor, process and system, continuous improvement and total quality management, knowledge management with organisational performance has been calculated. Along with, all these independent variables are also regressed with the organisational performance using the multiple regression models to assess the relative importance of the independent variables. The selected variables are from financial sector.

Hypothesis 8.

Independent variable collective learning is also regressed with the organisational performance using the multiple regression models to assess the relative importance of the independent variable.

Null Hypothesis H_0: There is no significant difference between collective learning and organisational performance in the financial sector.

Alternative Hypothesis H_1: There is a significant difference between collective learning and organisational performance in the financial sector.

Taking organisational performance as dependent variable Y and collective learning as independent variable X, the regression equation has been estimated as:

For selected companies,

Y = 18.675 + .198x

t = (9.378) (7.152)

P = (.000) (.000)

R^2 = 0.257 Adjusted R^2 = 0.252 $F_{(1\ 148)}$ = 51.152 df = 148

p- value for overall significance = .000

Figures in parentheses indicate t values.

The calculated p-value is .000 which is significant at 1 % level of significance showing the overall significance of the regression model. The calculated value of $F_{(1\ 148)}$ = 51.152 is higher than the critical value or the table value of $F_{(1\ 148)}$ = 6.63 meaning that

F value is significant at 0.01 level. It shows the existence of regression between the selected independent variable collective learning and organisational performance. There is a relationship between collective learning and organisational performance. So, collective learning affects oranisational performance.

The R^2 is low at 0.257, which means that only 25.7% variability in organisational performance is explained by collective learning. So, the factor contributes to organisational performance to a small extent only. The resulting sign is in conformity with the priori meaning that the results are in expected lines.

In respect to individual variable, the calculated value $t_{148} = 7.152$ is higher than the critical value of $t_{148} = 2.3263$ at 0.01 level of significance. The calculated p-value of t-statistics .000 shows significance for the selected independent variable as well as the constant. It shows that the selected independent variable explain organisational performance. Hence, there is no significant difference between collective learning and organisational performance.

The overall calculated p-value is .000 which is significant at 1 % level of significance. The above calculation shows that there is a significant relationship between organisational performance and collective learning. Therefore, the null hypothesis is accepted. It indicates that collective learning contributes to enhancing the organisational performance.

Hypothesis 9.

Independent variable culture and metaphor are also regressed with the organisational performance using the multiple regression models to assess the relative importance of the independent variables.

Null Hypothesis H_0: There is no significant difference between culture and metaphor and organisational performance in the financial sector.

Alternative Hypothesis H_1: There is a significant difference between culture and metaphor and organisational performance in the financial sector.

Taking organisational performance as dependent variable Y and culture and metaphor as independent variable X, the regression equation has been estimated as:

For selected companies,

$Y = 21.845 + .170x$

(12.907) (6.549)

P = (.000) (.000)

$R^2 = 0.225$ Adjusted $R^2 = 0.219$ $F_{(1\ 148)} = 42.887$ df = 148

p- value for overall significance = .000

Figures in parentheses indicate t values.

The calculated value of $F_{(1\ 148)} = 42.887$ is higher than the critical value or the table value of $F_{(1\ 148)} = 6.63$ meaning that F value is significant at 0.01 level. It shows the existence of regression between the selected independent variable culture and metaphor and organisational performance. There is a relationship between culture and metaphor and organisational performance. So, culture and metaphor affect organisational performance.

The R^2 is low at 0.225, which means that only 22.5% variability in organisational performance is explained by culture and metaphor. So, the factor contributes to organisational performance to a small extent only. The resulting sign is in conformity with the priori meaning that the results are in expected lines.

In respect to constant and individual variable, the calculated t- values of 12.907 and 6.549 for the constant and the independent variable respectively are higher than the critical value of $t_{148} = 2.3263$ at 0.01 level of significance. The calculated p-values of t-statistics for the constant as well as the independent variable are .000 which is significant at 1% level of significance. It shows that the selected independent variable explain organisational performance. Hence, there is no significant difference between culture and metaphor and organisational performance.

The overall calculated p-value is .000 which is significant at 1 % level of significance. The above calculation shows that there is a significant relationship between organisational performance and culture and metaphor. Therefore, the null hypothesis is accepted. It indicates that culture and metaphor contribute to enhancing the organisational performance.

Hypothesis 10.

Independent variable process and system are also regressed with the organisational performance using the multiple regression models to assess the relative importance of the independent variables.

Null Hypothesis H_0: There is no significant difference between process and system and organisational performance in the financial sector.

Alternative Hypothesis H_1: There is a significant difference between process and system and organisational performance in the financial sector.

Taking organisational performance as dependent variable Y and process and system as independent variable X, the regression equation has been estimated as:

For selected companies,

$Y = 20.065 + .181x$

(14.939) (9.616)

P = (.000) (.000)

$R^2 = 0.385$ Adjusted $R^2 = 0.380$ $F_{(1\ 148)} = 92.473$ df = 148

p- value for overall significance = .000

Figures in parentheses indicate t values.

The calculated value of $F_{(1\ 148)} = 92.473$ is higher than the critical value or the table value of $F_{(1\ 148)} = 6.63$ meaning that F value is significant at 0.01 level. It shows the existence of regression between the selected independent variable process and system and organisational performance. There is a relationship between process and system and organisational performance. So, process and system affect organisational performance.

The R^2 is low at 0.385, which means that only 38.5% variability in organisational performance is explained by process and system. The resulting sign is in conformity with the priori meaning that the results are in expected lines.

In respect to individual variable, the calculated value of $t_{148} = 9.616$ is higher than the critical value of $t_{148} = 2.3263$ at 0.01 level of significance. The calculated p-value of t-

statistics .000 shows significance for the selected independent variable as well as the constant. It shows that the selected independent variable explain organisational performance. Hence, there is no significant difference between process and system and organisational performance.

The overall calculated p-value is .000 which is significant at 1 % level of significance. The above calculation shows that there is a significant relationship between organisational performance and process and system. Therefore, the null hypothesis is accepted. It indicates that process and system contribute to enhancing the organisational performance.

Hypothesis 11.

Independent variable continuous improvement and total quality management are also regressed with the organisational performance using the multiple regression models to assess the relative importance of the independent variables.

Null Hypothesis H_0: There is no significant difference between continuous improvement and total quality management and organisational performance in the financial sector.

Alternative Hypothesis H_1: There is a significant difference between continuous improvement and total quality management and organisational performance in the financial sector.

Taking organisational performance as dependent variable Y and continuous improvement and total quality management as independent variable X, the regression equation has been estimated as:

For selected companies,

$Y = 17.821 + .401x$

(11.532) (9.798)

P = (.000) (.000)

$R^2 = 0.393$ Adjusted $R^2 = 0.389$ $F_{(1\ 148)} = 95.992$ df = 148

p- value for overall significance = .000

Figures in parentheses indicate t values.

The calculated value of $F_{(1\ 148)} = 95.992$ is higher than the critical value or the table value of $F_{(1\ 148)} = 6.63$ meaning that F value is significant at 0.01 level. It shows the existence of regression between the selected independent variable continuous improvement and total quality management and organisational performance. There is a relationship between continuous improvement and total quality management and organisational performance. So, continuous improvement and total quality management affect organisational performance.

The R^2 is low at 0.393, which means that only 39.3% variability in organisational performance is explained by continuous improvement and total quality management. The resulting sign is in conformity with the priori meaning that the results are in expected lines.

In respect to individual variable, the calculated t-value of 9.798 is higher than the critical value of $t_{148} = 2.3263$ at 0.01 level of significance. The calculated p-values of t-statistics are significant with .000 for the constant as well as the independent variable. It shows that the selected independent variable explain organisational performance. Hence, there is no significant difference between continuous improvement and total quality management and organisational performance.

The overall calculated p-value is .000 which is significant at 1 % level of significance. The above calculation shows that there is a significant relationship between organisational performance and continuous improvement and total quality management. Therefore, the null hypothesis is accepted. It indicates that continuous improvement and total quality management contribute to enhancing the organisational performance.

Hypothesis 12.

Independent variable knowledge management is also regressed with the organisational performance using the multiple regression models to assess the relative importance of the independent variable.

Null Hypothesis H_0: There is no significant difference between knowledge management and organisational performance in the financial sector.

Alternative Hypothesis H_1: There is a significant difference between knowledge management and organisational performance in the financial sector.

Taking organisational performance as dependent variable Y and knowledge management as independent variable X, the regression equation has been estimated as:

For selected companies,

$Y = 16.702 + .340x$

(9.810) (9.542)

P = (.000) (.000)

$R^2 = 0.381$ Adjusted $R^2 = 0.377$ $F_{(1\ 148)} = 91.052$ df= 148

p- value for overall significance = .000

Figures in parentheses indicate t values.

The calculated p-value is .000 which is significant at 1 % level of significance showing the overall significance of the regression model. The calculated value of $F_{(1, 148)} = 91.052$ is higher than the critical value or the table value of $F_{(1\ 148)} = 6.63$ meaning that F value is significant at 0.01 level. It shows that the existence of regression between the selected independent variable knowledge management and organisational performance. There is a relationship between knowledge management and organisational performance. So, knowledge management affects organisational performance.

The R^2 is low at 0.381, which means that only 38.1% variability in organisational performance is explained by knowledge management. The resulting sign is in conformity with the priori meaning that the results are in expected lines.

In respect to individual variable, the calculated t-value of 9.542 is higher than the critical value of $t_{148} = 2.3263$ at 0.01 level of significance. The calculated p-values of t-statistics for the constant as well as the independent variable are .000 which is significant at 1% level of significance. It shows that the selected independent variable explain organisational performance. Hence, there is no significant difference between knowledge management and organisational performance.

The overall calculated p-value is .000 which is significant at 1 % level of significance. The above calculation shows that there is a significant relationship between organisational performance and knowledge management. Therefore, the null hypothesis is accepted. It indicates that knowledge management contributes to enhancing the organisational performance.

Hypothesis 13.

Again, collective learning, culture and metaphor, process and system, continuous improvement and total quality management, knowledge management etc. independent variables are also regressed with the organisational performance at a once using the multiple regression model to assess the relative importance of the independent variables.

Null Hypothesis H_0: There is no significant difference between independent variables and organisational performance in the financial sector.

Alternative Hypothesis H_1: There is a significant difference between independent variables and organisational performance in the financial sector.

Taking organisational performance as dependent variable Y and collective learning, culture and metaphor, process and system, continuous improvement and total quality management, knowledge management as independent variable X (x_1, x_2, x_3, x_4, and x_5), the regression equation has been estimated as:

For selected companies,

$Y = 15.795 + 0.024x_1 - 0.068x_2 + 0.084x_3 + 0.199x_4 + 0.134x_5$

t = (8.460) (0.618) (-1.740) (2.321) (2.764) (2.254)

P = (0.000) (0.538) (0.084) (0.022) (0.006) (0.026)

$R^2 = 0.465$ Adjusted $R^2 = 0.446$ $F_{(5, 144)} = 25.001$ df = 144

p- value for overall significance = .000

Note:

Y = Organisational Performance, OP

X_1 = CL = Collective Learning

X_2 = CM = Culture and Metaphor

X_3 = PS = Process and System

X_4 = CITQM = Continuous Improvement and Total Quality Management

X_5 = KM = Knowledge Management

There is a strong regression fit as shown by the calculated value of $F_{(5, 144)}$ = 25.001 which is higher than the critical (table) value of $F_{(5, 144)}$ = 3.02 meaning that F value is significant at 0.01 level. It shows the existence of regression between the selected independent variables, collective learning, culture and metaphor, process and system, continuous improvement and total quality management, knowledge management and organisational performance. There is a relationship between independent variables and organisational performance. Thus, it can be said that there is a significant effect of the selected independent variables CL, CM, PS, CITQM and KM on OP.

The R^2 is 0.465, which means that only 46.5% variability in organisational performance is explained by identified independent variables.

The result of the specification also provides that signs of the coefficient have been obtained from the mode. In financial sector, expected signs are derived in CL, PS, CITQM and KM while in respect to CM the sign is not as expected. The resulting signs are in conformity with priori for the variables collective learning, process and system, continuous improvement and total quality management and knowledge management. However, in financial sector, the resulting sign is not in conformity with priori in respect to culture and metaphor meaning that the expected relationship between CM on OP may not be as assumed in the totality situation.

In respect to constant, the calculated value of t_{144}= 8.460 is higher than the critical (tabulated) value t_{144} = 2.3263 at 0.01 level of significance. The calculated p-value of t-statistics is .000 which is significant at 1% level of significance. However, the calculated p-values of t-statistics are different in other independent variables. In the case of CM, PS, CITQM and KM the calculated value of t are -1.740, 2.321, 2.764 and 2.254 in which CM, PS and KM are higher than the tabulated value of t_{144} = 1.6449 and are significant at 5% level whereas CITQM is higher than the critical value of t_{144} = 2.3263 and is

significant at 1 % level of significance. It shows that the selected independent variables explain the organisational performance. The calculated p-value for culture and metaphor x_2 is 0.084 which is significant at 10% level of significance while the calculated p-values for process and system x_3 and knowledge management x_5 are 0.022 and 0.026 respectively which are significant at 5% level of significance. The calculated p-value for continuous improvement and total quality management CITQM x_4 is 0.006 which is significant at 1 % level of significance. It shows that CM, PS, CITQM and KM variables explain organisational performance. Hence, there is no significant difference between culture and metaphor, process and system, continuous improvement and total quality management, knowledge management and organisational performance.

The above calculation shows that there is a significant relationship between them. Therefore, the null hypothesis is accepted. It indicates that the culture and metaphor, process and system, continuous improvement and total quality management and knowledge management contribute to enhancing the organisational performance.

In respect to the individual variable, the calculated value of t_{144} for CL is 0.618 which is less than the critical (tabulated) value of $t_{144} = 1.2816$ at 10% level of significant. So, it is not significant and does not explain organisational performance. The calculated p-value for collective learning x_1 is 0.538 which is not significant. It shows that CL variable does not explain organisational performance. Hence, there is a significant difference between collective learning and organisational performance.

The above calculation shows that there is no significant relationship between them. Therefore, the alternative hypothesis is accepted. It indicates that the collective learning partly contributes to enhancing the organisational performance.

However, the overall calculated p-value is .000 which is significant at 1 % level of significance. The above calculation shows that there is no significant relationship between independent variables and dependent variable. Therefore, the null hypothesis is accepted. It shows that independent variables are related to organisational performance. Therefore, it may be deduced that organisational learning environment affects organisational performance.

Regression Analysis between OL and OP

Hypothesis 14.

Independent variable organisational learning is also regressed with the organisational performance using the multiple regression models to assess the relative importance of the independent variables.

Null Hypothesis H_0: There is no significant difference between organisational learning and organisational performance in the financial sector.

Alternative Hypothesis H_1: There is a significant difference between organisational learning and organisational performance in the financial sector.

Taking organisational performance as dependent variable Y and organisational learning as independent variable X, the regression equation has been estimated as:

For selected companies,

$Y = 15.746 + .293x$

(9.079) (9.917)

P = (.000) (.000)

$R^2 =$ 0.399 Adjusted $R^2 = 0.395$ F = 98.350 df = 148

p- value for overall significance = .000

Figures in parentheses indicate t values.

The calculated p-value is .000 which is significant at 1 % level of significance showing the overall significance of the regression model. The calculated value of F (1, 148) = 98.350 is higher than the critical value or the table value of F (1 148) = 6.63 meaning that F value is significant at 0.01 level. It shows that the existence of regression between the selected independent variable organisational learning and organisational performance. There is a relationship between organisational learning and organisational performance. So, organisational learning affects organisational performance.

The R^2 is low at 0.399, which means that only 39.9% variability in organisational performance is explained by organisational learning. The resulting sign is in conformity with the priori meaning that the results are in expected lines.

In respect to constant and individual variable, the calculated t - values of 9.079 and 9.917 for the constant and the independent variable respectively are higher than the critical value of t_{148} = 2.3263 at 0.01 level of significance. The calculated p-values of t-statistics for the constant as well as the independent variable are .000 which is significant at 1% level of significance. It shows that the selected independent variable explain organisational performance. Hence, there is no significant difference between organisational learning and organisational performance.

The overall calculated p-value is .000 which is significant at 1 % level of significance. The above calculation shows that there is a significant relationship between organisational performance and organisational learning. Therefore, the null hypothesis is accepted. It indicates that organisational learning contributes to enhancing the organisational performance.

4.11.3 Relationships between OL and OP in the Tourism Sector

Hypotheses have been tested using the regression model in the tourism sector only as well. At the outset, the relationship of all individual variables i.e. collective learning, culture and metaphor, process and system, continuous improvement and total quality management, knowledge management with organisational performance has been calculated. Along with, all these independent variables are also regressed with the organisational performance using the multiple regression models to assess the relative importance of the independent variables. The selected variables are from tourism sector. The results are presented below.

Hypothesis 15.

Independent variable collective learning is also regressed with the organisational performance using the multiple regression models to assess the relative importance of the independent variable.

Null Hypothesis H_0: There is no significant difference between collective learning and organisational performance in the tourism sector.

Alternative Hypothesis H_1: There is a significant difference between collective learning and organisational performance in the tourism sector.

Taking organisational performance as dependent variable Y and collective learning as independent variable X, the regression equation has been estimated as:

For selected companies,

$Y = 13.768 + .248x$

t = (4.922) (6.554)

P = (.000) (.000)

$R^2 = 0.225$ Adjusted $R^2 = 0.220$ F = 42.955 df = 148

p- value for overall significance = .000

The calculated p-value is .000 which is significant at 1 % level of significance showing the overall significance of the regression model. The calculated value of F (1, 148) = 42.955 is higher than the critical value or the table value of F (1 148) = 6.63 meaning that F value is significant at 0.01 level. It shows the existence of regression between the selected independent variable collective learning and organisational performance. There is a relationship between collective learning and organisational performance. So, collective learning affects organisational performance.

The R^2 is low at 0.225, which means that only 22.5% variability in organisational performance is explained by collective learning. So, the factor contributes to organisational performance to a small extent only. The resulting sign is in conformity with the priori meaning that the results are in expected lines.

In respect to individual variable, the calculated t-value of 6.544 is higher than the critical value of $t_{148} = 2.3263$ at 0.01 level of significance. The calculated p-value of t-statistics .000 shows significance for the selected independent variable as well as the constant. It shows that the selected independent variable explain organisational performance. Hence, there is no significant difference between collective learning and organisational performance.

The overall calculated p-value is .000 which is significant at 1 % level of significance. The above calculation shows that there is a significant relationship between organisational performance and collective learning. Therefore, the null hypothesis is accepted. It indicates that collective learning contributes to enhancing the organisational performance.

Hypothesis 16.

Independent variable culture and metaphor are also regressed with the organisational performance using the multiple regression models to assess the relative importance of the independent variables.

Null Hypothesis H_0: There is no significant difference between culture and metaphor and organisational performance in the tourism sector.

Alternative Hypothesis H_1: There is a significant difference between culture and metaphor and organisational performance in the tourism sector.

Taking organisational performance as dependent variable Y and culture and metaphor as independent variable X, the regression equation has been estimated as:

For selected companies,

$Y = 14.390 + .270x$

t = (6.626) (8.179)

P = (.000) (.000)

$R^2 = 0.311$ Adjusted $R^2 = 0.307$ F = 66.895 df = 148

p- value for overall significance = .000

The calculated value of F (1, 148) = 66.895 is higher than the critical value or the table value of F (1 148) = 6.63 meaning that F value is significant at 0.01 level. It shows the existence of regression between the selected independent variable culture and metaphor and organisational performance. There is a relationship between culture and metaphor and organisational performance. So, culture and metaphor affect organisational performance.

The R^2 is low at 0.311, which means that only 31.1% variability in organisational performance is explained by culture and metaphor. The resulting sign is in conformity with the priori meaning that the results are in expected lines.

In respect to individual variable, the calculated value of $t_{148} = 8.179$ is higher than the critical value of $t_{148} = 2.3263$ at 0.01 level of significance. The calculated p-values of t-statistics for the constant as well as the independent variable are .000 which is significant at 1% level of significance. It shows that the selected independent variable explain organisational performance. Hence, there is no significant difference between culture and metaphor and organisational performance.

The overall calculated p-value is .000 which is significant at 1 % level of significance. The above calculation shows that there is a significant relationship between organisational performance and culture and metaphor. Therefore, the null hypothesis is accepted. It indicates that culture and metaphor contribute to enhancing the organisational performance.

Hypothesis 17.

Independent variable process and system are also regressed with the organisational performance using the multiple regression models to assess the relative importance of the independent variables.

Null Hypothesis H_0: There is no significant difference between process and system and organisational performance in the tourism sector.

Alternative Hypothesis H_1: There is a significant difference between process and system and organisational performance in the tourism sector.

Taking organisational performance as dependent variable Y and process and system as independent variable X, the regression equation has been estimated as:

For selected companies,

$Y = 15.574 + .237x$

$t = (8.673) \quad (9.259)$

$P = (.000) \quad (.000)$

R^2 = 0.367 Adjusted R^2 = 0.363 F = 85.735 df = 148

p- value for overall significance = .000

The calculated value of F (1, 148) = 85.735 is higher than the critical value or the table value of F (1 148) = 6.63 meaning that F value is significant at 0.01 level. It shows the existence of regression between the selected independent variable process and system and organisational performance. There is a relationship between process and system and organisational performance. So, process and system affect organisational performance.

The R^2 is low at 0.367, which means that only 36.7% variability in organisational performance is explained by process and system. The resulting sign is in conformity with the priori meaning that the results are in expected lines.

In respect to individual variable, the calculated t-value = 9.259 is higher than the critical value of t_{148} = 2.3263 at 0.01 level of significance. The calculated p-values of t-statistics for the constant as well as the independent variable are .000 which is significant at 1% level of significance. It shows that the selected independent variable explain organisational performance. Hence, there is no significant difference between process and system and organisational performance.

The overall calculated p-value is .000 which is significant at 1 % level of significance. The above calculation shows that there is a significant relationship between organisational performance and process and system. Therefore, the null hypothesis is accepted. It indicates that process and system contribute to enhancing the organisational performance.

Hypothesis 18.

Independent variable continuous improvement and total quality management are also regressed with the organisational performance using the multiple regression models to assess the relative importance of the independent variables.

Null Hypothesis H_0: There is no significant difference between continuous improvement and total quality management and organisational performance in the tourism sector.

Alternative Hypothesis H_1: There is a significant difference between continuous improvement and total quality management and organisational performance in the tourism sector.

Taking organisational performance as dependent variable Y and continuous improvement and total quality management as independent variable X, the regression equation has been estimated as:

For selected companies,

Y = 13.534 + .516x

t = (6.486) (8.930)

P = (.000) (.000)

R^2 = 0.350 Adjusted R^2 = 0.346 F = 79.750 df = 148

p- value for overall significance = .000

The calculated value of F (1, 148) = 79.750 is higher than the critical value or the table value of F (1 148) = 6.63 meaning that F value is significant at 0.01 level. It shows the existence of regression between the selected independent variable continuous improvement and total quality management and organisational performance. There is a relationship between continuous improvement and total quality management and organisational performance. So, continuous improvement and total quality management affect organisational performance.

The R^2 is low at 0.350, which means that only 35% variability in organisational performance is explained by continuous improvement and total quality management. The resulting sign is in conformity with the priori meaning that the results are in expected lines.

In respect to individual variable, the calculated t-value = 8.930 is higher than the critical value of t_{148} = 2.3263 at 0.01 level of significance. The calculated p-values of t-statistics for the constant as well as the independent variable are .000 which is significant at 1% level of significance. It shows that the selected independent variable explain organisational performance. Hence, there is no significant difference between continuous improvement and total quality management and organisational performance.

The overall calculated p-value is .000 which is significant at 1 % level of significance. The above calculation shows that there is a significant relationship between organisational performance and continuous improvement and total quality management. Therefore, the null hypothesis is accepted. It indicates that continuous improvement and total quality management contribute to enhancing the organisational performance.

Hypothesis 19.

Independent variable knowledge management is also regressed with the organisational performance using the multiple regression models to assess the relative importance of the independent variable.

Null Hypothesis H_0: There is no significant difference between knowledge management and organisational performance in the tourism sector.

Alternative Hypothesis H_1: There is a significant difference between knowledge management and organisational performance in the tourism sector.

Taking organisational performance as dependent variable Y and knowledge management as independent variable X, the regression equation has been estimated as:

For selected companies,

$Y = 10.572 + .448x$

t = (5.543) (11.337)

P = (.000) (.000)

$R^2 = 0.465$ Adjusted $R^2 = 0.461$ F = 128.532 df = 148

p- value for overall significance = .000

The calculated value of F (1, 148) = 128.532 is higher than the critical value or the table value of F (1 148) = 6.63 meaning that F value is significant at 0.01 level. It shows the existence of regression between the selected independent variable knowledge management and organisational performance. There is a relationship between knowledge management and organisational performance. So, knowledge management affects organisational performance.

The R^2 is low at 0.465, which means that only 46.5% variability in organisational performance is explained by knowledge management. The resulting sign is in conformity with the priori meaning that the results are in expected lines.

In respect to individual variable, the calculated t-value = 11.337 is higher than the critical value of t_{148} = 2.3263 at 0.01 level of significance. The calculated p-values of t-statistics for the constant as well as the independent variable are .000 which is significant at 1% level of significance. It shows that the selected independent variable explain organisational performance. Hence, there is no significant difference between knowledge management and organisational performance.

The overall calculated p-value is .000 which is significant at 1 % level of significance. The above calculation shows that there is a significant relationship between organisational performance and knowledge management. Therefore, the null hypothesis is accepted. It indicates that knowledge management contributes to enhancing the organisational performance.

Hypothesis 20.

Lastly, collective learning, culture and metaphor, process and system, continuous improvement and total quality management, knowledge management etc. independent variables are also regressed with the organisational performance at a once using the multiple regression model to assess the relative importance of the independent variables.

Null Hypothesis H_0: There is no significant difference between independent variables and organisational performance in the tourism sector.

Alternative Hypothesis H_1: There is a significant difference between independent variables and organisational performance in the tourism sector.

Taking organisational performance as dependent variable Y and collective learning, culture and metaphor, process and system, continuous improvement and total quality management, knowledge management as independent variable X (x_1, x_2, x_3, x_4 and x_5), the regression equation has been estimated as:

For selected companies,

$$Y = 8.971 - 0.005x_1 + 0.018x_2 - 0.035x_3 + 0.134x_4 + 0.315x_5$$

t = (3.645) (-0.108) (0.306) (-0.706) (1.530) (4.617)

P = (0.000) (0.914) (0.760) (0.481) (0.128) (0.000)

R^2 = 0.487 Adjusted R^2 = 0.469 F (5, 144) = 27.361 df = 144

p- value for overall significance = .000

Note:

Y = Organisational Performance, OP

X_1 = CL = Collective Learning

X_2 = CM = Culture and Metaphor

X_3 = PS = Process and System

X_4 = CITQM = Continuous Improvement and Total Quality Management

X_5 = KM = Knowledge Management

There is a strong regression fit as shown by the calculated value of $F_{(5, 144)}$ = 27.361 which is higher than the critical (tabulated) value of $F_{(5, 144)}$ = 3.02 meaning that F-value is significant at 0.01 level. It shows the existence of regression between the selected independent variables viz. collective learning, culture and metaphor, process and system, continuous improvement and total quality management, knowledge management and organisational performance. There is a relationship between independent variables and organisational performance. Thus, it can be said that there is a significant effect of the selected independent variables CL, CM, PS, CITQM and KM on OP.

The R^2 is low at 0.487, which means that only 48.7% variability in organisational performance is explained by identified independent variables.

The result of the specification also provides that signs of the coefficient have been obtained from the mode. In tourism sector, expected signs are derived in CM, CITQM and KM while in respect to CL and PS the signs are not as expected. The resulting signs are in conformity with priori for the variables culture and metaphor, continuous improvement and total quality management and knowledge management. However, the resulting signs are not in conformity with priori in respect to collective learning and

process and system meaning that the expected relationship between CL and PS on OP may not be as assumed in the totality situation.

In respect to constant, the calculated value of $t_{144} = 3.645$ is higher than the critical (tabulated) value $t_{144} = 2.3263$ at 0.01 level of significance. The calculated p-value of t-statistics is .000 which is significant at 1% level of significance. However, the calculated p-values of t-statistics are different for other independent variables. In the case of CITQM and KM the calculated value of t are 1.530 and 4.617 respectively in which CITQM is higher than the critical value of $t_{144} = 1.2816$ and is significant at 10% level whereas KM is higher than the critical value of $t_{144} = 2.3263$ and is significant at 1% level of significance. It shows that the KM explains the organisational performance significantly while CITQM x_4 explains only partially because its p-value is 0.128. The calculated p-value of knowledge management x_5 is 0.000, which is significant at 1 % level of significance. It shows that only KM variable highly explains organisational performance. Hence, there is no significant difference between knowledge management and organisational performance. The above calculation shows that there is a significant relationship between them. Therefore, the null hypothesis is accepted. It indicates that knowledge management highly contributes to enhancing the organisational performance.

In respect to the individual variables, the calculated value of t for CL, CM and PS are -0.108, 0.306 and -0.706 which are less than the critical (tabulated) value of $t_{144} = 1.2816$ at 10% level of significance. So, they are not significant. They do not explain OP. The calculated p-values for collective learning $x_{1,}$ culture and metaphor x_2 and process and system x_3 are 0.914, 0.760 and 0.481 respectively are not significant. It shows that CL, CM and PS variables do not explain organisational performance. Hence, there is a significant difference between collective learning, culture and metaphor and process and system and organisational performance. The above calculation shows that there is no significant relationship between them. Therefore, the alternative hypothesis is accepted. It indicates that the collective learning, culture and metaphor and process and system partly contribute to enhancing the organisational performance.

However, the overall calculated p-value is .000 which is significant at 1 % level of significance. The above calculation shows that there is a significant relationship

between identified independent variables viz. collective learning, culture and metaphor, process and system, continuous improvement and total quality management, knowledge management and organisational performance. Therefore, null hypothesis is accepted. It shows that independent variables are related to dependent variable. Hence, it may be deduced that independent variable organisational learning environment affects dependent variable organisational performance.

Regression Analysis between OL and OP

Hypothesis 21.

Independent variable organisational learning is also regressed with the organisational performance using the multiple regression models to assess the relative importance of the independent variable.

Null Hypothesis H_0: There is no significant difference between organisational learning and organisational performance in the tourism sector.

Alternative Hypothesis H_1: There is a significant difference between organisational learning and organisational performance in the tourism sector.

Taking organisational performance as dependent variable Y and organisational learning as independent variable X, the regression equation has been estimated as:

For selected companies,

Y = 8.743 + .399x

t = (3.895) (10.434)

P = (.000) (.000)

R^2 = 0.424 Adjusted R^2 = 0.420 F = 108.860 df = 148

p- value for overall significance = .000

The calculated p-value is .000 which is significant at 1 % level of significance showing the overall significance of the regression model. The calculated value of F (1, 148) = 108.860 is higher than the critical value or the table value of F (1 148) = 6.63 meaning that F value is significant at 0.01 level. It shows the existence of regression between the selected independent variable organisational learning and organisational

performance. There is a relationship between organisational learning and organisational performance. So, organisational learning affects organisational performance.

The R^2 is low at 0.424, which means that only 42.4% variability in organisational performance is explained by organisational learning. The resulting sign is in conformity with the priori meaning that the results are in expected lines.

In respect to individual variable, the calculated t-value = 10.434 is higher than the critical value of t_{148} = 2.3263 at 0.01 level of significance. The calculated p-values of t-statistics for the constant as well as the independent variable are .000 which is significant at 1% level of significance. It shows that the selected independent variable explain organisational performance. Hence, there is no significant difference between organisational learning and organisational performance.

The overall calculated p-value is .000 which is significant at 1 % level of significance. The above calculation shows that there is a significant relationship between organisational performance and organisational learning. Therefore, the null hypothesis is accepted. It indicates that organisational learning contributes to enhancing the organisational performance.

4.12 Conclusion

The findings of this chapter indicated that the collective learning, culture and metaphor, process and system, continuous improvement and total quality management and knowledge management contribute to enhancing the organisational performance. Particularly, CL, CM and CITQM were found to be more satisfactory than PS and KM in the result of OL.

Based on the test of hypotheses, in the financial sector, all factors are significant in different level of significance except collective learning. Therefore, culture and metaphor, process and system, continuous improvement and total quality management and knowledge management strongly impact organisational performance. However, collective learning partly impacts organisational performance. In tourism sector, only knowledge management is significant and knowledge management impacts organisational performance whereas CITQM of t-statistics only shows significant and

explained slightly to OP. But other factors collective learning, culture and metaphor and process and system impact to organisational performance is very small. In totality process and system, continuous improvement and total quality management and knowledge management strongly impact to organisational performance except collective learning and culture and metaphor. So, collective learning and culture and metaphor have little impact on organisational performance. In this study, the major factors, therefore, in organisational learning explaining organisational performance may be termed as knowledge management, continuous improvement and total quality management and process and system. They were found to be more prominent in explaining organisational performance. Culture and metaphor explained moderately whereas collective learning was found to be the least explaining organisational learning variable affecting organisational performance.

However, overall organisational learning impacts organisational performance in all sectors. There is no significant difference between them. The independent variables are closely related to the dependent variables. The above calculation shows that organisational learning and organisational performance have significant relationship. So, it can be fairly concluded that the overall status of organisational learning affects organisational performance.

CHAPTER – V

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary

A learning organisation evolves as a result of the learning and behaviour of its people (Honey and Mumford, 1992; Burgoyne et al., 1994; Senge, 1990; Marquardt and Reynolds, 1994). The ability of a workforce in an organisation to learn faster than those in other organisations constitutes the only sustainable competitive advantage at the disposal of a learning organisation (De Geus, 1998). Organisational learning should be where the individuals consciously interact with others through the process of education and as a result of experience (Kolb, 1984; Honey and Mumford, 1992). The components of organisational learning (OL) are collective learning (CL), culture and metaphor (CM), process and system (PS), continuous improvement and total quality management (CITQM) and knowledge management (KM) as predicted by Senge (1990), Wang and Ahmed (2003), Graham and Nafukho (2007), Edward (2009), Harris et al. (2009) and Imai (1986). According to them, organisational learning and its components engages to the different level of action from individual to group level and to the organisational level for interactions and discussions to enhance the organisational learning. It is also recognised that organisational performance (OP) is affected by organisational learning as deduced by Dess and Robbinson (1984), Stewart (1997), Sveiby (1997), Ehin (2000), Sullivan (2000), Tippins and Sohi (2003), Zallocco, Pullins and Mallin (2009) and Dealtry (2009) etc.

The global competition and rapid market developments preoccupy top management. To be successful, top management requires in-depth and quality knowledge and information of the company's people and the corporate culture which binds them together as they work unchecked hunches and shallow, filtered information. The importance of people, management of knowledge, intellectual capital are the prime sources of an organisation and needs an increasingly sophisticated awareness of stakeholders and their needs (Greenley and Foxhall, 1996; Hamilton and Clarke, 1996; McDermott and Chan, 1996; Mitchell et al., 1997; Malone, 1997; Ulrich, 1998; Teece

1998). The focus of previous studies has centered on the perspectives of the collective process of cognitive change for the whole organisation (Huber, 1991) and the spread of learning to different levels of organisational members (Nonaka and Takeuchi, 1995; Crossan and Bontis, 1998). In Nepal, there is still limited empirical research on organisational learning. The Shakya (2007), Devkota (2008) and Parajuli (2008) have considered organisational learning with HRD and other aspects mainly in financial institutions only. So, there is a need to research on this issue in international arena as well as in Nepal. Hence the present study is concerned with the individuals as well as collectivities. The study was focused not only for the individual capacity but to group level and to the organisational level which can be considered as a paradigm shift.

The objective of the study is to identify the relationship between the collective learning, culture and metaphor, process and system, continuous improvement and total quality management, knowledge management with organisational performance. The study is also kicked off to see the relationship between organisational learning and organisational performance. The research exists to observe organisational learning affects organisational performance. It is hypothesised that the overall status of organisational learning affects organisational performance.

The study has been conducted based on primary information actually collected sample of 300 or 75% questionnaires out of 400 respondents which was selected from 20 organisations of two sectors including financial and tourism sectors. Four financial organisations selected were banks, development bank, finance, insurance and five tourism organisations selected were hotels, travel agencies, airlines, trekking and Nepal Tourism Board. Out of four financial sectors ten organisations selected were Nabil Bank Ltd., Nepal Credit and Commercial Bank Ltd., Bank of Kathmandu Ltd., Nepal Bank Ltd., Prime Bank Ltd., Nepal Investment Bank Ltd., Jyoti Development Bank Ltd., Sidhartha Insurance Ltd., Goodwill Finance Ltd. and Patan Finance Ltd. Out of five tourism sectors ten organisations selected were Nepal Tourism Board, The Radission Hotel, The Malla Hotel, Soaltee Crowne Plaza Hotel, Hotel De L' Annapurna, Yeti Airlines Domestic Pvt. Ltd., Buddha Air Pvt. Ltd., Lalit Mandap Travel and Tour Pvt. Ltd., Fox Tours and Travel Pvt. Ltd., and Thamserku Tours and Trekking Pvt. Ltd. Analysis has been done based on the scale of response and by using various statistical

tests including regression analysis of OL variable and perceived organisational performance variables. A five-point Likert scale (with 5= fully agree, 4= agree, 3= soso, 2= disagree and 1= fully disagree) was used for 90 questions. Reliability test shows 0.959 values of Cronbach's Alpha which is near to 1 which shows very good result. Hence, the questionnaire is considered to be highly reliable.

The study assessed the status of collective learning opportunities in Nepalese enterprises in the tourism and financial sectors. The findings of the study showed that the overall status was moderately satisfactory with majority agreeing to the existence of the learning opportunities. However, the result found tourism sector slightly ahead the financial sector pertaining to collective learning approach in Nepal. Collective learning of higher age group is more satisfactory than the lower age group. Males are more interested for collective learning than females. Work experience group of 11-15 years are seemed to agree adequately for collective learning. Education group of above master seemed to agree adequately with the statement that collective learning environment is satisfactory. So, collective learning environment is growing stage in the field of Nepal and the institutions of Nepal are trying to incorporate collective learning opportunities in practice.

In respect to culture and metaphor, the result showed that the overall status was moderately satisfactory. However, the result finds tourism sector exceeded the financial sector in pertaining to culture and metaphor approach in Nepal. The age groups of 31-40 and above 50 age groups' values are similar and rated comparatively more agreed relating to culture and metaphor in Nepal. The learning opportunities for culture and metaphor are same in both groups in Nepalese enterprises. 11-15 years experience groups seemed to agree adequately that culture and metaphor environment is satisfactory. Above master education group indicated higher level of satisfaction with the situation of culture and metaphor. The culture and metaphor environment in Nepalese enterprises are relatively satisfactory situation and organisation believes people are key to growth and competiveness.

In regards to process and system, the result showed that the overall status was moderately satisfactory with majority agreeing to the existence of the opportunities. Financial sector is relatively better than the tourism sector in response to the process and

system of Nepal. The higher age group is seemed more satisfactory in response to the process and system of Nepal. Female are highly enjoying the process and system opportunities in Nepal. The respondents with 11-15 years and 16 above experience group seemed to agree adequately that process and system environment is satisfactory. The response of education group of above master group was more satisfactory. Process and system is moderately satisfactory in Nepalese services sector.

The study assessed the status of continuous improvement and total quality management opportunities in Nepalese enterprises. The result showed that the overall status was moderately satisfactory with majority agreeing to the existence of the opportunities but few dimensions did not show satisfactory result. In respect to continuous improvement and total quality management financial sector group of Nepal seemed to be more satisfying than the tourism sector. Higher age group seemed to agree adequately that CITQM environment was satisfactory. CITQM of the Nepalese organisations are strongly followed by the male. The response of 11-15 years experience group was more satisfactory. The response of above master group of education level group was more satisfactory. The CITQM environment in Nepalese enterprise is relatively satisfactory and finds the success of the organisation depends on the constant pursuit of quality enhancement, expand its capacity and competitiveness.

In regards to knowledge management, the result showed that the overall status was moderately satisfactory with majority agreeing to the existence of the knowledge management opportunities but few dimensions did not show satisfactory result. Tourism sector domains the financial sector pursuing the knowledge management approach. The response of 31-40 and higher age group is more satisfactory. Female are more interested in respect to knowledge management than male. The response of 11-15 and 16 above experience groups seemed to agree adequately that knowledge management environment was more satisfactory. The response of below graduate education group was more satisfactory with the situation of knowledge management. The knowledge management environment in Nepalese enterprise is moderately satisfactory and finds the necessity of new techniques, method and ideas to improve the organisation.

The organisational learning of the financial sector recorded higher mean value of 3.60 and seemed to be relatively more satisfying than the tourism sector with the mean value of 3.59. The organisational learning of financial sector is good than the tourism sector. The total mean value of OL is 3.60 and seemed to agree that organisational learning is satisfactory. Hence, the overall status of organisational learning environment in Nepalese enterprise is satisfactory. Among the OL variables, CL, CM and CITQM are found to be more satisfactory than PS and KM in the result of OL.

In respect to organisational performance, the results showed that the overall status was moderately satisfactory with majority agreeing to the existence of the organisational performance opportunities. It entails that the organisation is performing well in the current situation and not lagging behind the competitors in the market. The financial sector recorded higher mean value of 3.65 is adequately satisfactory with majority agreeing to the existence of the organisational performance opportunities than the tourism sector of mean value 3.55. It indicates that 31-40 and higher age group seemed to agree more adequately that organisational performance environment is satisfactory. Organisational performance of female group is relatively good than male group. The response of 11-15 experience group seemed to agree adequately satisfactory. The response of above master level education group highly agreed with the majority that the organisational performance opportunities are followed by them. The organisational performance environment is satisfactory in Nepalese enterprises even the differences in most of the cases barring a few were only marginal. The overall status of organisational performance is 3.60 and seemed to agree that organisational performance is satisfactory. The financial sector group of Nepal seemed to be more satisfying than the tourism sector in respect to organisational performance.

The comparison between the total status of OL and OP showed that the financial sector recorded higher mean value and seemed to be relatively more satisfying than the tourism sector of each case. However, the difference, as mentioned in other aspects, is small. It also showed that organisational learning and organisational performance is highly correlated with equal value of 3.60 each. So it is perfectly related with each other. Therefore, there is a strong relationship between organisational learning and

organisational performance. Hence, it may be deduced that organisational learning affects organisational performance.

The study indicated that there is a difference between financial and tourism sector responses. It means that there is no relationship between tourism and financial sector. The response did not indicate that the independent variables environment is in a really encouraging stage as the mean values were well below fully agreed. In spite of this, it may be termed as there are opportunities in Nepalese enterprises of the independent variable organisational learning and its components viz. collective learning, culture and metaphor, process and system, continuous improvement and total quality management and knowledge management and dependent variable organisational performance appeared to be satisfactory. They are related to each other. Accordingly, it proves that organisational learning and its components affects organisational performance as hypothesised. The results confirm to the findings of Dess and Robbinson (1984), Lawrence and Lorsch (1987), Hansen and Wernefelt (1989) and Lyles and Salk (1997).

All five variables selected to define organisational learning as collective learning, culture and metaphor, process and system, continuous improvement and total quality management and knowledge management were found to be significant and explained organisational performance. Therefore, the dependent variable, organisational performance is explained by the independent variables. However, the degree of significance was found to be different. Multiple regressions including all five organisational learning variables for combined sector showed that only three variables, knowledge management, continuous improvement and total quality management and process and system were found to be significant variable affecting organisational performance. Hence, the most significant variables influencing organisational performance were knowledge management, continuous improvement and total quality management and process and system. Culture and metaphor and collective learning were found to be less significant though they were also found to explain organisational performance to some extent. Thus, in Nepalese perspective, knowledge management, continuous improvement and total quality management and process and system can be termed as leading organisational learning variables influencing organisational performance.

Multiple regressions including all five variables for the financial sector showed that four variables were found to be more significant in which continuous improvement and total quality management was found to be highly significant and explained organisational performance. Simultaneously, process and system, knowledge management and culture and metaphor variables of financial sector were also found to be more significant affecting organisational performance. However, collective learning showed less significant and did not adequately explain organisational performance.

Again, multiple regressions including all five variables for the tourism sector showed that only one variable knowledge management was found to be highly significant affecting organisational performance and explained OP whereas only CITQM of t-statistics was found to be significant and explained slightly to OP. Nonetheless, collective learning, culture and metaphor and process and system showed less significant and less explained the organisational performance.

In respect to comparision of the financial and the tourism sector, knowledge management was found to be more significant to explain organisational performance. Simultaneously, continuous improvement and total quality management of the financial sector was found to be more significant than in the tourism sector and explained organisational performance. The variables process and system and culture and metaphor in the financial sector were found to be more significant than in the tourism sector affecting organisational performance. Collective learning variable in the both sectors were not found to be significant in explaining organisational performance as expected but found satisfactory in the result of OL variables. The overall p-values of OL including all five independent variables were significant at 1% level of significance. Besides, there is only a marginal difference in the two sectors in this respect. Organisational learning and organisational performance is found to be highly correlated. It means that the overall organisational learning impacts organisational performance in all sectors. The independent variables are closely related to the dependent variables. Hence, organisational learning and organisational performance have significant relationship. So, it can be concluded that organisational learning affects organisational performance.

5.2 Conclusion

From the study it may be concluded that there is the existence of the learning opportunities in Nepalese organisations, though at a limited scale and depending on the nature and size of the organisations. This is relatively consistent with the theories and previous studies as also observed by Senge (1990), Honey and Mumford (1992), Burgoyne et al. (1994), Marquardt and Reynolds (1994) and Wang and Ahmed (2003). The collective learning environment in Nepalese enterprises however, indicated that there is a substantial room for improvement that is expected to lead for improved organisational learning.

The environment for understanding the culture and metaphor existed to some extent in Nepalese enterprises. It indicated the presence of some encouraging environment in Nepal, where openness to change is also found to be positive. Learning-oriented cultures can substantially influence organisational effectiveness. Organisational learning cultures create learning transfer climates that can enhance and facilitate innovation and adaptation in organisations. Moderate effect on employee perception towards the dimension of culture in enhancing organisational learning were also established in a study of USA, in the findings of Graham and Nafukho (2007). It confirms to the findings of O'Reilly and Chatman (1996) and Simon (1976). Empowered work teams based on learning culture enables knowledge, wisdom, and innovation in the Nepalese organisations and is similar to the findings of Dovey (1997), De Geus (1997), Cairns (1998) and Bierly et al. (2000) and Kaiser (2000). It showed that the people are a key to growth and competitiveness for the organisation.

The status on process and system existed at a moderate level in Nepalese enterprises confirming to the findings of Glynn et al. (1992), Revans (1982), Popper and Lipshitz (2000), Senge (1990) and Crossan (1994). The study recognised that there is still a need for new professional organisations and reawakened the nature of the pioneering spirit that is essential for progress to be made in giving life and energy to important innovations in learning processes design and their management in Nepal and is similar to the findings of Huber (1991), Pedler et al. (1991), Murray (2003), Dealtry (2009) and Yeo (2002). In Nepalese perspective, strong information, intelligent systems and team

learning are needed to boost OL environment and capability but presently these systems exist only to a limited extent. In Nepal, there is a need for integrative processes and networked learning systems to generate competitive advantages as emphasised by Yeo (2002), Murray (2003) and Murray, Syed and Roberts (2009).

In respect to continuous improvement and total quality management, the status showed the existence of the opportunities in many dimensions except a few. The results mostly confirm to the findings of Pedler et al. (1991), Buckler (1996), Scarbrough et al. (1998), Hodgkinson (2000) and Garratt (1999). Continuous improvement and total quality management are recognised as an important aspect in Nepal's organisational development. It is similar to the findings of a survey in Australia (Oliver, 2009). Mitki, Shani and Meiri (1997) and Imai (1986) emphasised that continuous improvement and total quality management are an integral part of organisational life and business competitive strategy. Imai (1986) compared the continuous improvement as Kaizen strategy which is a Japanese workplace philosophy that focuses on making continuous small improvements for the effectiveness of the organisation and related to the Nepal's case too. Further, the findings of the present study are similar to the findings of Savolainen and Haikonen (2007) who suggested that the learning process is characterised by measurement, detection and correction of errors, and cost reduction and continuous improvement occurs through these procedural practices which form a structure for sustaining learning. Continuous improvement and total quality management environment in Nepalese enterprises show that the success of the organisation depends on the constant pursuit of quality enhancement ability to expand its capacity and competitiveness.

It can be stated that there are some opportunities in Nepalese enterprises to enhance knowledge management. There is emphasis on continuous education and learning and knowledge and expertise of individuals are utilised to some extent as observed by Lyles (1992 and 1988), Fiol (1994), Fiol and Lyles (1985), Voronov and Yorks (2005). In Nepal, KM is in a formative stage. However, there is some recognition of KM in Nepalese enterprises too. Knowledge sharing/ shared vision would facilitate the transformation of collective individual knowledge to organisational knowledge, organisational learning and organisational effectiveness (Hoe, 2007; Yang, 2007). Knowledge management environment in Nepalese enterprise indicates the need of shared

vision with appropriate techniques, methods and ideas to improve organisational performance.

Organisational learning is relatively a recent concept in Nepalese enterprises though some form of it may have been practiced since long. The findings of Graham and Nafukho (2007), Murray, Syed and Roberts (2009) and Caemmerer and Wilson (2010) showed that educational level, longevity, type of enterprise, and gender, feedback mechanism explain organisational learning readiness in enterprises. Venugopal and Baets (1995) observed that case-based reasoning systems, knowledge-based systems, cognitive mapping systems and neutral networks are integrated and made available together with the other advanced IT tools; they can support and enhance some of the organisational learning processes. These factors in most cases are identified in Nepalese enterprises too as determinants of OL. Organisational learning needs to be supported as external environments and internal dynamics of organisations become more complex. Organisational learning, organisational culture and knowledge management correlate each other in Nepal as described by Singh and Sharma (2011). Financial sector group of Nepal was found to be a little bit better than the tourism sector in respect to OL. Some evidences are available indicating the presence of organisational learning environment in Nepalese enterprises. Among the OL variables, CL, CM and CITQM are prevalent particularly in these enterprises. From it, it may be further deduced that Nepalese enterprises lagged behind in process or system (PS) and Knowledge management (KM) and in order to promote wholesome OL environment, that has proven contribution to organisational performance by various researches including the present study, there is a need to extend additional emphasis to PS and KM to create conducive OL environment.

The status of organisational performance showed variation within and across the sectors. In Nepal, organisational learning is found to positively correlate with organisational performance, as is the case with most of the other researches for example viz. Khandekar and Sharma (2006), Lin and Kuo (2007), Mintzberg et al. (1995), Murray (2003), Yeo (2003), Venkatraman and Ramanujam (1986), Ulrich et al. (1993), Denton (1998), Delaney and Huselid (1996), Andersen (2006), Lee and Lee (2007), Lopez, Peon and Ordas (2005), Farrell, Oczkowski and Kharabsheh (2008), Dealtry (2009) and Zallocco, Pullins and Mallin (2009). The financial sector group of Nepal was found to be

marginally better than the tourism sector in respect to organisational performance. It shows that the organisation is performing well and not lagging behind the competitors in the market.

In the tourism sector, only knowledge management is found to impact organisational performance. In the financial sector, culture and metaphor, process and system, continuous improvement and total quality management and knowledge management strongly impact organisational performance but collective learning only partly impacts organisational performance. In totality, process and system, continuous improvement and total quality management and knowledge management strongly impact organisational performance meaning that these factors need to be accorded greater consideration in OL strategies.

Thus, the overall status of organisational learning affects organisational performance but in many areas significant improvements are needed as specified in Nepalese enterprises.

5.3 Recommendations for Future Research

- Studies may be conducted by relating collective learning, culture and metaphor, process and system, continuous improvement and total quality management, knowledge management, perception, motivation, technology, innovation, training, competitive advantage, creativity, change, empowerment, productivity, commitment, turnover, participation, intellectual capital etc.
- Studies may be conducted relating to the status of organisational learning with the performance based on hard data.
- Studies may be conducted pertaining to organisational learning and human relations HR or some individual indicators like growth, employee satisfaction, market share etc.
- Studies may be conducted using other models like Dess and Robbinson, 1984, Powell and Dent-Micallef, 1997; Tippins and Sohi, 2003 etc.
- The linkage between action-based and cognitive-based views of learning is new direction for future research. Power, politics, emotions and ethics are important areas that remain under-discussed and under researched and may be initiated in global as well as region/ issue specific manner.

Table No. 4.1 Results of Response on Collective Learning

Factors	Finance		Tourism		Total		P-value
Collective Learning	**Mean**	**Std. Dev**	**Mean**	**Std. Dev**	**Mean**	**Std. Dev**	
I clearly understand what skills and knowledge I need to do my job	4.61	0.588	4.61	0.541	4.61	0.565	1.000
The training programs are not customised to our learning needs and job challenges	3.26	1.132	3.63	0.916	3.44	1.024	0.002
My supervisor discusses with me my learning and development needs	3.79	0.971	3.89	0.860	3.84	0.916	0.346
I have enough learning opportunities in this organisation	3.91	0.907	4.01	0.879	3.96	0.893	0.333
My supervisor helps me to put my learning into practice	3.93	0.864	3.98	0.855	3.96	0.860	0.639
I learn through other's work performance in this organisation	3.57	0.930	3.81	0.822	3.69	0.876	0.016
The skills of employees in this organisation are developed in line with its business objectives	3.83	0.721	3.80	0.819	3.81	0.770	0.765
My organisation does not empower employees to enable them to take on more responsibilities	2.61	1.041	2.89	1.004	2.75	1.023	0.018
I have the opportunity to participate in meetings, seminars and group discussions	3.72	1.050	3.85	1.041	3.78	1.045	0.295
For me, my colleagues are also an important source of learning and exposure	4.32	0.708	4.28	0.828	4.30	0.768	0.653
I can meet my supervisor any time I need his help and direction	4.38	0.864	4.30	0.740	4.34	0.802	0.390
My supervisor gives me timely feedback on my work performance	3.91	0.958	4.01	0.803	3.96	0.880	0.297
We are exposed to what is happening outside the organisation	3.60	0.941	3.75	0.802	3.68	0.872	0.130
Socialisation activities are the regular features in this organisation	3.34	1.009	3.67	0.924	3.50	0.967	0.004
Most of the learning activities are relevant to me to do my job efficiently	3.88	0.665	3.86	0.777	3.87	0.721	0.811
My organisation keeps track of my skill deficiencies, work interests and other developmental needs	3.52	0.946	3.50	1.041	3.51	0.994	0.862
My supervisor allows me to learn from my mistakes	3.78	0.968	3.96	0.793	3.87	0.881	0.079
Employees are empowered to make use of what they know	3.61	0.889	3.65	0.843	3.63	0.866	0.641
Employees in this organisation work in a team to attain organisational goal	4.03	0.893	3.97	0.890	4.00	0.891	0.560
Total	**3.77**	**0.897**	**3.86**	**0.852**	**3.82**	**0.874**	**0.413**

Table No. 4.2 Results of Response on Culture and Metaphor

Factors	Finance		Tourism		Total		P-value
Culture and Metaphor	**Mean**	**Std. Dev**	**Mean**	**Std. Dev**	**Mean**	**Std. Dev**	
Whenever needed, collaboration is promoted among different organisations to attain common goals	3.47	0.864	3.66	0.889	3.56	0.877	0.057
The management of this organisation hesitates to invest in its employees	2.77	1.177	2.98	1.161	2.88	1.169	0.127
The top management of this organisation is committed to employees' continuing learning	3.75	0.934	3.59	0.957	3.67	0.945	0.128
There is an open-minded review of every aspect of this organisation	3.47	0.917	3.55	1.014	3.51	0.966	0.512
There is good communication in this organisation	3.67	0.916	3.58	0.861	3.63	0.889	0.364
Staff interactions are always encouraged in this organisation	3.63	0.951	3.65	1.024	3.64	0.988	0.907
Organisation does not practice transparency through various types of open-reporting and information-sharing	2.55	1.053	2.91	1.051	2.73	1.052	0.004
Employee suggestions are appreciated by senior management	3.51	0.961	3.66	0.918	3.59	0.939	0.177
Employees in this organisation share their knowledge and resources with each other	3.78	0.776	3.78	0.741	3.78	0.758	1.000
Problems are jointly identified and solved by employees	3.67	0.923	3.60	0.927	3.64	0.925	0.493
There is greater participation of employees in problem-solving and decision-making	3.39	0.982	3.53	1.066	3.46	1.024	0.238
I have every opportunity to be creative innovative	3.75	0.955	3.84	0.942	3.80	0.948	0.429
Innovative ideas are always appreciated by my supervisor	3.87	0.902	3.91	0.835	3.89	0.869	0.642
I have the access to my organisation’s databases	3.65	0.976	3.59	0.971	3.62	0.973	0.554
The managers in this organisation are risk-takers and problem-solvers	3.80	0.882	3.85	0.831	3.83	0.856	0.590
I work in a highly efficient, effective and learning organisation	3.82	0.875	4.04	0.874	3.93	0.875	0.030
My organisation believes that people are the key to growth and competitiveness	4.07	0.917	3.76	1.021	3.91	0.969	0.007
Senior managers in this organisation work as role models and change agents	3.77	0.878	3.71	0.980	3.74	0.929	0.577
Total	**3.58**	**0.936**	**3.62**	**0.948**	**3.60**	**0.942**	**0.380**

Table No. 4.3 Results of Response on Process and System

Factors	Finance		Tourism		Total		P-value
Process and System	**Mean**	**Std. Dev**	**Mean**	**Std. Dev**	**Mean**	**Std. Dev**	
Work standards are set for employees in this organisation	3.76	0.994	3.67	0.910	3.71	0.952	0.397
The performance management system of this organisation links employees compensation and achievements	3.59	0.956	3.40	0.983	3.50	0.970	0.085
My contribution to this organisation's performance is well recognised	3.77	0.870	3.68	1.038	3.72	0.954	0.434
The best performing units and individuals are not recognised and rewarded	2.73	1.129	2.95	1.098	2.84	1.113	0.088
This organisation has structures and systems that encourage teamwork	3.57	0.893	3.53	0.917	3.55	0.905	0.702
I get the encouragement to learn and develop to my full potential	3.79	0.822	3.53	0.903	3.66	0.862	0.008
Top management's commitment to developing people is not communicated to all employees in this organisation	3.05	1.019	3.13	1.076	3.09	1.048	0.509
This organisation has developed internal job rotation programs for overall understanding of the system in practice	3.13	1.213	3.19	1.127	3.16	1.170	0.658
I can join formal or informal networks within and outside this organisation for my learning and self-development	3.43	1.013	3.53	0.967	3.48	0.990	0.415
Meetings and interactions are held regularly to assess the emerging business situations and to solve problems	3.72	1.069	3.93	0.852	3.82	0.961	0.065
Our top leaders have clear vision for this organisation	3.91	1.016	3.85	0.862	3.88	0.939	0.582
Employees in this organisation have shared purpose and vision of its goals, plans and strategies	3.63	0.965	3.57	0.951	3.60	0.958	0.547
Team learning is the strength of organisation	this	0.893	3.76	1.001	1.88	0.947	0.627
A lot of time is spent in this organisation building relations and maintaining networks	3.48	0.925	3.43	1.012	3.45	0.969	0.634
Inter-departmental interactions in this organisation are regular activities and are held freely, frankly and fearlessly	3.53	0.981	3.36	1.076	3.44	1.029	0.162
Organisation regularly compares its work processes and performances with best performing company in industry	3.72	1.017	3.19	1.109	3.46	1.063	0.000
The employees have the authority to make decisions related to their job	3.27	1.042	3.25	1.088	3.26	1.065	0.871
There is a clear blueprint for change and development in this organisation	3.39	0.926	3.27	0.967	3.33	0.947	0.248
Top manager communicate game plan, show their commitment and provide their support to lower level employee	3.47	0.967	3.47	0.888	3.47	0.927	0.950
The organisational culture here aims to share ideas, knowledge, skills and even pains and pleasure	3.57	0.937	3.59	0.884	3.58	0.910	0.899
Total	**3.52**	**0.982**	**3.46**	**0.986**	**3.49**	**0.984**	**0.444**

Table No. 4.4 Results of Response on Continuous Improvement and Total Quality Management

Factors	Finance		Tourism		Total		P-value
Continuous Improvement and Total Quality Management	**Mean**	**Std. Dev**	**Mean**	**Std. Dev**	**Mean**	**Std. Dev**	
This organisation is in pursuit of its market leadership	3.83	0.886	3.74	0.915	3.79	0.900	0.370
This organisation does not need to become much more aggressive and much more competitive	2.55	1.108	2.51	1.079	2.53	1.094	0.712
Activities and programs are regularly organised by this organisation to provide us opportunities for learning	3.43	0.937	3.49	0.925	3.46	0.931	0.577
Internal performance reviews and system audits are the regular features in this organisation	3.83	0.855	3.35	1.011	3.59	0.933	0.000
This organisation continuously makes efforts to expand its capacity, quality and competitiveness	4.03	0.746	3.78	0.874	3.91	0.810	0.007
Without the constant pursuit of quality enhancement, the success of this organisation is not possible	4.17	0.801	4.11	0.671	4.14	0.736	0.482
Employees keep themselves informed about work-related issues	3.91	0.780	3.80	0.714	3.85	0.747	0.218
Employees in this organisation are open and responsive to change	3.75	0.802	3.63	0.746	3.69	0.774	0.181
The top management values creativity, innovation and risk-taking	3.83	0.932	3.59	0.914	3.71	0.923	0.025
This organisation is always on a continuous improvement	4.08	0.773	3.73	0.800	3.91	0.786	0.000
Total	**3.74**	**0.862**	**3.57**	**0.865**	**3.66**	**0.863**	**0.257**

Table No. 4.5 Results of Response on Knowledge Management

Factors	Finance		Tourism		Total		P-value
Knowledge Management	**Mean**	**Std. Dev**	**Mean**	**Std. Dev**	**Mean**	**Std. Dev**	
There is a well defined mechanism for knowledge transfer and integration in this organisation	3.37	0.915	3.25	0.884	3.31	0.900	0.276
This organisation spends money and other resources for innovations	3.53	0.932	3.55	0.824	3.54	0.878	0.844
Knowledge and expertise of individuals are advantage not utilised to the fullest extent possible	2.97	1.089	3.29	1.000	3.13	1.045	0.007
Our managers are always looking for advice from outside experts on best practice	3.13	0.939	3.39	0.933	3.26	0.936	0.017
The outcomes of seminars, meetings etc. are widely circulated and disseminated among employees	3.17	1.052	3.29	0.916	3.23	0.984	0.267
This organisation does not emphasise continuous education and learning	2.65	1.024	2.73	1.085	2.69	1.054	0.477
External experts are not regularly invited to discuss the management issues and problems	3.44	1.059	3.11	1.033	3.28	1.046	0.007
Work processes and system are revisited and updated regularly for improvement	3.61	0.925	3.63	0.790	3.62	0.858	0.893
New techniques, methods and ideas are adopted when needed for improvement	3.83	0.809	3.76	0.857	3.79	0.833	0.489
New ideas are easily accepted by employees and put them in practice	3.59	0.860	3.69	0.752	3.64	0.806	0.318
The importance of knowledge creation and utilisation is emphasised in this organisation	3.67	0.825	3.61	0.759	3.64	0.792	0.513
Org. believes competitive is based on the organisation's ability to integrate individual's specialised knowledge	3.73	0.864	3.58	0.914	3.66	0.889	0.137
Newcomers in this organisation are encouraged to participate in socialisation activities	3.47	0.960	3.59	0.971	3.53	0.965	0.310
This organisation has Total Quality Management (TQM) criteria fixed for each department	3.21	0.985	3.29	1.283	3.25	1.134	0.512
Total	**3.38**	**0.946**	**3.41**	**0.929**	**3.40**	**0.937**	**0.362**

Table No. 4.7 Results of Response on Organisational Performance

Factors	Finance		Tourism		Total		P-value
Organisational Performance	**Mean**	**Std. Dev**	**Mean**	**Std. Dev**	**Mean**	**Std. Dev**	
The organisation is attaining growth in sales (revenue)	4.09	0.763	3.95	0.892	4.02	0.828	0.145
The organisation is attaining growth in profits	4.23	0.716	3.81	1.052	4.02	0.884	0.000
The market share of the organisation is improving	4.03	0.785	3.68	0.789	3.85	0.787	0.000
The organisation is not performing so well in the current situation	2.29	1.084	2.69	1.081	2.49	1.083	0.002
The organisation's performance is satisfactory vis a vis competitors	3.67	1.001	3.57	0.965	3.62	0.983	0.412
I am satisfied with my organisations' performance	3.89	0.894	3.78	0.961	3.83	0.928	0.321
The organisation has a good public image	4.21	0.797	4.15	0.730	4.18	0.764	0.546
The productivity of the employees in this organisation is encouraging	3.83	0.855	3.75	0.971	3.79	0.913	0.412
The organisation is lagging behind the competitors in the market	2.59	1.281	2.59	1.171	2.59	1.226	1.000
Total	**3.65**	**0.908**	**3.55**	**0.957**	**3.60**	**0.933**	**0.315**

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APPENDIX

Questionnaires

Individual Background

Please tick in the appropriate choice / alternative that would best fit the fact / or your perception.

Age : Up to30 ☐ 31-40 ☐ 41-50 ☐ Above 50 ☐

Sex : Male ☐ Female ☐

Work Experience : 0-5yrs ☐ 6-10yrs ☐ 11-15yrs ☐ 16 & Above ☐

Education : Below Graduate ☐ Graduate ☐ Master ☐ Above Master ☐

Position/Level :

Organisation :

The measurements of the scales are given as below:

Fully Agree = 5 ; Agree = 4 ; Soso = 3 ; Disagree = 2 and Fully Disagree = 1

1.	I clearly understand what skills and knowledge I need to do my job.	Fully Agree ☐ Agree ☐ SoSo ☐ Disagree ☐ Fully Disagree ☐
2.	The training programs are not customised to our learning needs and job challenges.	Fully Agree ☐ Agree ☐ SoSo ☐ Disagree ☐ Fully Disagree ☐
3.	My supervisor discusses with me my learning and development needs.	Fully Agree ☐ Agree ☐ SoSo ☐ Disagree ☐ Fully Disagree ☐
4.	I have enough learning opportunities in this organisation.	Fully Agree ☐ Agree ☐ SoSo ☐ Disagree ☐ Fully Disagree ☐
5.	My supervisor helps me to put my learning into practice.	Fully Agree ☐ Agree ☐ SoSo ☐ Disagree ☐ Fully Disagree ☐
6.	I learn through other's work performance in this organisation.	Fully Agree ☐ Agree ☐ SoSo ☐ Disagree ☐ Fully Disagree ☐
7.	The skills of employees in this organisation are developed in line with its business objectives.	Fully Agree ☐ Agree ☐ SoSo ☐ Disagree ☐ Fully Disagree ☐
8.	My organisation does not empower employees to enable them to take on more responsibilities.	Fully Agree ☐ Agree ☐ SoSo ☐ Disagree ☐ Fully Disagree ☐

9. I have the opportunity to participate in meetings**,** seminars, and group discussions.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
10. For me, my colleagues are also an important source of learning and exposure.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
11. I can meet my supervisor any time I need his help and direction.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
12. My supervisor gives me timely feedback on my work performance.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
13. We are exposed to what is happening outside the organisation.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
14. Socialisation activities are the regular features in this organisation.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
15. Most of the learning activities are relevant to me to do my job efficiently.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
16. My organisation keeps track of my skill deficiencies, work interests, and other developmental needs.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
17. My supervisor allows me to learn from my mistakes.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
18. Employees are empowered to make use of what they know.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
19. Employees in this organization work in a team to attain organizational goal.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
20. Whenever needed, collaboration is promoted among different organisations to attain common goals.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
21. The management of this organisation hesitates to invest in its employees.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
22. The top management of this organisation is committed to employee's continuing learning.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
23. There is an open-minded review of every aspect of this organisation.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐

24. There is good communication in this organisation.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
25. Staff interactions are always encouraged in this organisation.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
26. This organization does not practice transparency through various types of open-reporting and information-sharing.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
27. Employee suggestions are appreciated by senior management.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
28. Employees in this organisation share their knowledge and resources with each other.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
29. Problems are jointly identified and solved by employees.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
30. There is greater participation of employees in problem-solving and decision-making**.**	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
31. I have every opportunity to be creative and innovative.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
32. Innovative ideas are always appreciated by my supervisor.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
33. I have the access to my organisation's databases.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
34. The managers in this organisation are risk-takers and problem-solvers.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
35. I work in a highly efficient, effective and learning organisation.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
36. My organisation believes that people are the key to growth and competitiveness.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
37. Senior managers in this organisation work as role models and change agents.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
38. Work standards are set for employees in this organization.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
39. The performance management system of this organization links employee's compensation and achievements.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐

40. My contribution to this organisation's performance is well recognized. Fully Agree ☐ Agree ☐ SoSo ☐ Disagree ☐ Fully Disagree ☐

41. The best performing units and individuals are not recognised and rewarded. Fully Agree ☐ Agree ☐ SoSo ☐ Disagree ☐ Fully Disagree ☐

42. This organisation has structures and systems that encourage teamwork. Fully Agree ☐ Agree ☐ SoSo ☐ Disagree ☐ Fully Disagree ☐

43. I get the encouragement to learn and develop to my full potential. Fully Agree ☐ Agree ☐ SoSo ☐ Disagree ☐ Fully Disagree ☐

44. Top management's commitment to developing people is not communicated to all employees in this organisation. Fully Agree ☐ Agree ☐ SoSo ☐ Disagree ☐ Fully Disagree ☐

45. This organisation has developed internal job rotation programs for overall understanding of the system in practice. Fully Agree ☐ Agree ☐ SoSo ☐ Disagree ☐ Fully Disagree ☐

46. I can join formal or informal networks within and outside this organisation for my learning and self-development. Fully Agree ☐ Agree ☐ SoSo ☐ Disagree ☐ Fully Disagree ☐

47. Meetings and interactions are held regularly to assess the emerging business situations and to solve problems. Fully Agree ☐ Agree ☐ SoSo ☐ Disagree ☐ Fully Disagree ☐

48. Our top leaders have clear vision for this organisation. Fully Agree ☐ Agree ☐ SoSo ☐ Disagree ☐ Fully Disagree ☐

49. Employees in this organisation have shared purpose and vision of its goals, plans, and strategies. Fully Agree ☐ Agree ☐ SoSo ☐ Disagree ☐ Fully Disagree ☐

50. Team learning is the strength of this organisation. Fully Agree ☐ Agree ☐ SoSo ☐ Disagree ☐ Fully Disagree ☐

51. A lot of time is spent in this organisation building relations and maintaining networks. Fully Agree ☐ Agree ☐ SoSo ☐ Disagree ☐ Fully Disagree ☐

52. Inter-departmental interactions in this organisation are regular activities and are held freely, frankly and fearlessly. Fully Agree ☐ Agree ☐ SoSo ☐ Disagree ☐ Fully Disagree ☐

53. This organisation regularly compares its work processes and performances with the best performing company in the industry. Fully Agree ☐ Agree ☐ SoSo ☐ Disagree ☐ Fully Disagree ☐

54. The employees have the authority to make decisions related to their job.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
55. There is a clear blueprint for change and development in this organisation.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
56. The top managers communicate the game plan, show their commitment and provide their support to lower level employees.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
57. The organisational culture here aims to share ideas, knowledge, skills and even pains and pleasure.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
58. This organization is in pursuit of its market leadership.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
59. This organisation does not need to become much more aggressive and much more competitive.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
60. Activities and programs are regularly organised by this organisation to provide us opportunities for learning.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
61. Internal performance reviews and system audits are the regular features in this organisation.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
62. This organisation continuously makes efforts to expand its capacity, quality and competitiveness.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
63. Without the constant pursuit of quality enhancement, the success of this organisation is not possible.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
64. Employees keep themselves informed about work-related issues.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
65. Employees in this organisation are open and responsive to change.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
66. The top management values creativity, innovation and risk-taking.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
67. This organisation is always on a continuous improvement.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐

68. There is a well defined mechanism for knowledge transfer and integration in this organisation.
Fully Agree ☐ Agree ☐ SoSo ☐ Disagree ☐ Fully Disagree ☐

69. This organisation spends money and other resources for innovations.
Fully Agree ☐ Agree ☐ SoSo ☐ Disagree ☐ Fully Disagree ☐

70. Knowledge and expertise of individuals are not utilised to the fullest extent possible.
Fully Agree ☐ Agree ☐ SoSo ☐ Disagree ☐ Fully Disagree ☐

71. Our managers are always looking for advice from outside experts on best practice.
Fully Agree ☐ Agree ☐ SoSo ☐ Disagree ☐ Fully Disagree ☐

72. The outcomes of seminars, meetings, etc. are widely circulated and disseminated among employees.
Fully Agree ☐ Agree ☐ SoSo ☐ Disagree ☐ Fully Disagree ☐

73. This organisation does not emphasise continuous education and learning.
Fully Agree ☐ Agree ☐ SoSo ☐ Disagree ☐ Fully Disagree ☐

74. External experts are not regularly invited to discuss the management issues and problems.
Fully Agree ☐ Agree ☐ SoSo ☐ Disagree ☐ Fully Disagree ☐

75. Work processes and system are revisited and updated regularly for improvement.
Fully Agree ☐ Agree ☐ SoSo ☐ Disagree ☐ Fully Disagree ☐

76. New techniques, methods and ideas are adopted when needed for improvement.
Fully Agree ☐ Agree ☐ SoSo ☐ Disagree ☐ Fully Disagree ☐

77. New ideas are easily accepted by employees and put them in practice.
Fully Agree ☐ Agree ☐ SoSo ☐ Disagree ☐ Fully Disagree ☐

78. The importance of knowledge creation and utilisation is emphasized in this organisation.
Fully Agree ☐ Agree ☐ SoSo ☐ Disagree ☐ Fully Disagree ☐

79. This organisation believes that competitive advantage is based on the organisation's ability to integrate the individual's specialised knowledge.
Fully Agree ☐ Agree ☐ SoSo ☐ Disagree ☐ Fully Disagree ☐

80. Newcomers in this organisation are encouraged to participate in socialisation activities.
Fully Agree ☐ Agree ☐ SoSo ☐ Disagree ☐ Fully Disagree ☐

81. This organisation has Total Quality Management (TQM) criteria fixed for each department.
Fully Agree ☐ Agree ☐ SoSo ☐ Disagree ☐ Fully Disagree ☐

82. The organisation is attaining growth in sales (revenue).	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
83. The organisation is attaining growth in profits.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
84. The market share of the organisation is improving.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
85. The organisation is not performing so well in the current situation.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
86. The organisation's performance is satisfactory vis a vis competitors.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
87. I am satisfied with my organisations' performance.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
88. The organisation has a good public image.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
89. The productivity of the employees in this organisation is encouraging.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐
90. The organisation is lagging behind the competitors in the market.	Fully Agree ☐	Agree ☐	SoSo ☐	Disagree ☐	Fully Disagree ☐