

Exploring the Dynamics of Learning Organization: Antecedents and Consequences

Abstract

This study examined the nature and characteristics of learning organization in a competitive environment; the role of certain organizational factors in building a learning organization such as organizational learning, organizational culture, HRM practices, and transformational leadership. It also examined the impact of learning organization on organizational effectiveness, organizational innovativeness, and organizational performance; the mediating role of learning organization, and the differences in learning organization across manufacturing and services sector. Data was collected from 124 Indian companies, which include 32 manufacturing and 92 service companies. Structural equation modeling was used to test hypothesized relationship among the variables, and model fit. The results indicated that organizational learning, culture, and HRM practices significantly predicted learning organization, while transformational leadership did not have significant impact in building a learning organization. Learning organization significantly predicted organizational innovativeness and organizational performance, but did not have any impact on organizational effectiveness. It was found that manufacturing sector fared better in developing a learning organization as compared to service sector. The structural model with mediator effect was partially accepted. The study has implication for managers to facilitate a culture of learning, follow appropriate HRM practices and leadership to build learning organization.

Keywords: Learning organization, Organizational Learning, Organizational Culture, Human Resources Practices, Transformational Leadership, Organizational Effectiveness, Organizational Innovativeness, Organizational Performance