A SURVEY ON IMPACT OF DIMENSIONS OF LEARNING ORGANIZATION ON EMPLOYEES’ PERFORMANCE; 
(Case Study: Economic Department of Iran Khodro Company)

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Abstract
Learning organization is an organization that consistently develops its capacities for the creation of their future with the aim of empowering managers and employees of organizations to cope with the dynamic and turbulent business environment, and competitive advantage of the organization. Across these organizations, a particular attention is paid on delegation of authority, teamwork, Participatory management, creativity and other prominent features. Another important concept in relation to learning organization is the very notion of organizational learning. Organizational learning is the process of improving actions through better knowledge and understanding. Indeed, it has to state that learning organization is the product of organizational learning. Among other concepts that have been addressed in this study is the concept of performance that dimensions of learning organization in this context as an effective factor for enhancing employees’ performance has been considered. This study aims to study impact of Seven Dimensions of Learning Organization on performance of employees working at Economic Department of Iran Khodro Company. Statistical population includes the entire experts working at Economic Department of Iran Khodro Company. This study is such an applied type of study using descriptive method of the survey type of methods, so that inferential statistics have been used to analyze data. Research findings indicate that dimensions of learning organization in three personal, group and organizational levels have a positive significant impact on employees’ performance. The results from findings indicate that Continuous learning has the most effect on employees’ performance, and then team learning followed by Learning Empowerment has the most impact in improving employees’ performance; further, learning Integrated systems and learning communication with system affect the least improving employees’ performance.

Keywords: learning organization, employees’ performance, Iran Khodro Company, Continuous learning, leadership

Introduction
Organizations sustain on their activities in a world with highly competitive and turbulent environment that needs the ability to adapt, change and improve the competitive advantages. Director of Corporate are constantly seeking new and innovative strategies to
ensure organizational success or even survival. Many well-known strategies for success focus on human as the biggest asset of the organization and knowledge as a competitive strategy (Kniegesmann et al. 2005). As a result, researchers alike highlight on the need to improve performance, by acting as a learning organization, promoting an environment in which all members take step to improve organizational knowledge of members, and improve performance of learning organization (Garvin 1993, Kline and Saunders, 1993, Kuchinke, 1995, Manquardt, 1995, Slater and Narver 1995). Learning organization seems as a leading capability for all the organizations so as to develop in line with growing success (Kline and Saunders, 1993, Kuchinke, 1995). Learning organization has been defined as a strategy to improve organizational performance and maintaining a competitive advantage. Indeed, some scholars define learning organization as the only stable competitive advantage in response to a turbulent business environment. A key aspect of the learning organization is that all members of an organization require continuous learning to improve their performance (Gephart et al., 1996, Nadler and Nadler, 1994). Scholars tend to agree on this point that personal learning requires for Group learning and organizational learning, and members learning at all levels is essential to ensure the success of the organization and the prevention of extinction (Iles, 1994, Mc Manus, 1996, Robinson et al., 1997). According to an emphasis on learning for all members at all levels of organization, an attempt to transform a learning organization as a competitive advantage has to be targeted by managers, supervisors and employees (Weldy and Gillis, 2010).

**Problem statement**

Because organizations today with the traditional structures have not required power and flexibility for alignment with the peripheral changes due to globalization and complexity, so forced to change their structure for their survival or equip themselves with the tools to deal with global developments. One of tools aimed for survival of organization mentioned institutionalizing learning process in the organization and creation of the "learning organization". The main value of the learning organization surely is the problem solving. Philosophy of such organizations is that in situations where environmental changes are rapid, enjoy flexibility and adaptability, and further would be superior to others in competitive arena. Learning always as a means to improve the performance and solve organizational problems has been considered, and the lack of it causes many problems in the organization. Therefore, in order to train and equip Workforce of organizations to improve performance, improvement and more effective utilization of Workforce, education has always been considered as the most effective agent. According to what discussed above, this study aimed to examine impact of the Learning Organization Dimensions on employees’ performance. Because it seems that building conditions to let learning organization grows is required to improve employees’ performance. For this, currently the organizations can be succeeded if all their employees strive to enhance their abilities so that management is responsible to provide proper conditions for this educational procedure.

**Literature review**

Current business assigned to many organizations has always depended on their abilities in rapid reaction against environmental changes. This proper reaction is gained through
improving products and services and/or innovation and creativity. As a result, Growing and increasing trend of technological change, globalization and the explosion of knowledge, organizational capabilities for learning were considered as a key capability of organizations. New management theories such as learning organizations (Senge, 1990), smart organizations (Pinkett and Pinkett, 1994 and Quinn 1994), knowledge-oriented companies (Taguchi and Nonaka, 1995) and knowledge management (Drucker, 1995, Leonard Barton, 1995; Bammer, 1996), represents individuals’ efforts to find ways that can enhance the institutional abilities for learning (Gholaamzade, Qilich Lee, 2006, p 11). In today's economy and technology environment that is changing at a rapid rate, many organizations have attempted to explain new theory of learning organization called learning organization. This theory on how to design and manage organizations to sustain on at the world which is increasingly changing, proposes several ideas (ibid, p.15). Today, learning is considered as a source of competitive scores. Drucker, a leading management thinker believes that the key to organizational success is knowledge because value is generated through innovation and production and both relies on applying knowledge. In other words, the man equipped with knowledge is the key to determine effectiveness of organizations. Past experiences show that in the third millennium, the most successful organizations are those that are classified as learning organizations. Learning Organization is a new management theory that has been presented by Senge. Learning organization is described as the ongoing development of organizational capabilities for creating its future, so that it is learnt as a whole and moves forward, which further learns from the experiences likewise a wise man, and modifies its path (Senge, 1999, p.25). "Garvin" knows learning organization an entity in creating, acquiring and transferring skilled knowledge and modifies its behavior to reflect new knowledge and insights(Sobhani, 2004, p.5). "Dixon" defines the learning organization: an organization that uses its members to create a process that will increase the performance improvement (Dixon, 1994). " Pedler " and associates have defined learning organization as an organization that facilitates learning for all its members for continuous improvement of their own. In another definition, learning organization is an organization in which members continuously improve their own performance so as to achieve their goals and ideals. Modern patterns to expand thinking domain are prevailing, and there exists sufficient space for collective idealism, considering the fact that finally learning organization is an organizations in which members continuously teach who to learn altogether and being with each other (Bahramzade, 1998, p. 59). In other words, learning organization is an organization enjoying the ability to build, acquire and transfer knowledge, and modifies its behavior in a way that reflects new knowledge and insights (Love and Irani, 2000,p 5). One common point which lies in definitions above is that all organizational members have to involve in continuous learning and act to improve their performance. Most studies found with a numerous effort to recognize dimensions or components related to learning organization and developing structured models. Some focus on how transform organizations to a learning organization, e.g. Senge developed five major rules that can facilitate transforming an organization to a learning organizing including Systematic thinking, personal skills, mental models, shared vision and team learning(Senge,1990,p 3). Watkins and Marsick(1996) proposed an integrative model of learning organization, which in initial introduced learning organization as an organizations that is continuously changing, so that learning becomes a deterministic agent at business
strategy. In such organization focused on learning, learning is continuously applied in the processes as a strategy and the individuals are aligned around a shared vision to change the environment that is changing all the time. They produce new knowledge, which in turn take it to create innovative products and services to meet customer needs (Watkins and Marsick, 2003, p. 3). Furthermore, they recognized seven distinct but interrelated dimensions at individual, group, organization, learning organization levels that include:

Individual level: continuous learning, dialogue and inquiry learning

Group level: team learning

Organizational level: Empowering learning, Integrated Learning Systems, Learning Link system and leadership learning.

Dimensions of learning organization can be summarized as follows:

- Dimension of Continuous learning: opportunities for continuous learning for all members.
- Dimension of Dialogue and Research: this includes encourage questions, feedback and experimentation.
- Dimension of team learning: The idea of collaboration and team work effectively.
- Dimension of Integrated Learning Systems: Using an integrated system for access to information and sharing it.
- Dimension of empowering learning: Share a collective vision and have the right of choice for a mission.
- Dimension of Learning Link system: provisions of system to connect with indoor and outdoor areas.
- Dimension of leadership: corporate Leaders as instructors and masters involve in organization’s activities.

Watkins and Marsick (2004) in a study developed a Multi-dimensional Measuring Instrument for the Learning Organization, and then validated it. Multi-dimensional Measuring Instrument included seven dimensions proposed by Watkins and Marsick, and they have introduced questionnaire as a proper instrument for organizational studies grounded on learning organization (Baiyin, Watkins, Marsick, 2004, p. 15). Kuchinke (2003) in a study on learning organization perceived that to meet customers’ needs, an organization has to change itself to a learning organization, and this required for providing provisions in order that employees have a progress and abilities of team learning increase within organization. Furthermore, an atmosphere and environment which comes effective to induce learning needs to be developed (Baiyin, 2005, p. 36). Alavi and McCormick (2003) in a study entitled “cultural consideration to apply learning organization model in Iranian organizations”, concluded that effectiveness of learning organization model in different countries might be different affected by cultural differences (Alavi and McCormick, 2003, p. 7).

Pedler et al., 1991 recognized 11 critical points to transmit to a learning organization:

- Learning approach to strategy
- Participatory decision-making
- Information
- Control and stage computation
- Internal exchange
- Reward Flexibility
- Enabling structures
- Boundary workers as environmental reviewers
- Learning and innovation practices between firms
- Learning environment
- Individual Achievement for All

It seems that learning organizations with all the advantages having in a turbulent environment for the organization also have weaknesses. Some strengths and weaknesses (pros and cons) assigned to learning organization have been described in Table 1 as follows (Huczynski and Buchanan, 2001, p 135):

**Table 1.** Strengths and weaknesses (pros and cons) assigned to learning organization ((Huczynski and Buchanan, 2001, p 13)

<table>
<thead>
<tr>
<th>Weaknesses of Learning Organization</th>
<th>Strengths of Learning Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>A complex and confusing series of actions, systematically applying problem</td>
<td>A multidimensional and valuable concept</td>
</tr>
<tr>
<td>An attempt to use change management concepts and learning theory, this summary as project management solution</td>
<td>Influence many aspects of organizational behavior</td>
</tr>
<tr>
<td>Words (terms) to encourage employees and success with management guidelines in improving yourself</td>
<td>An innovative approach to learning, knowledge management and intellectual capital investment (rational)</td>
</tr>
<tr>
<td>Innovative approach to enhance management control</td>
<td>A new set of challenging concepts, focusing on the acquisition and improvement of individual and corporate</td>
</tr>
<tr>
<td>An approach dependant to technology which ignores individuals’ real improvement and use knowledge within organizations.</td>
<td>Innovative approach to the organization, management, and improve employee</td>
</tr>
<tr>
<td>- Innovative use of technology for managing organizational knowledge via the Internet or an intranet database</td>
<td></td>
</tr>
</tbody>
</table>

Important factor in the survival and viability of organizations mentioned quality and capability of human resources. In other words, human resources can be prioritized by importance over the new technology, financial and material resources. The main difference within organizations is knowledge and ignorance rather than assets and ignorance. The role of efficient, competent and knowledgeable human resources in achieving organizational goals is something undeniable. Although learning organization strives to overcome environmental changes but its emphasis is mainly on continuous learning of knowledge and new skills by the employees. One way to improve employee performance is to create an infrastructure for continuous learning through integrated systems and the possibility for easier access to the information and transferring the learning and practice.

**Conceptual model and research hypotheses**

Figure 1 indicates research conceptual model. This model declares that a positive and direct relationship exists between learning organization and employees’ performance.
Given conceptual model, there would be seven hypotheses as follows:
First hypothesis: dimension of continuous learning affects employees’ performance.
Second hypothesis: dimension of dialogue and inquiry learning affects employees’ performance.
Third hypothesis: dimension of team learning affects employees’ performance.
Sixth hypothesis: dimension of Learning Link system affects employees’ performance.
Seventh hypothesis: dimension of leadership learning affects employees’ performance.

**Research methodology**
Research method in this study due to an investigation into impact of dimensions of learning organization at individual level (continuous learning, dialogue and inquiry learning), group level (team learning) and organization level (Integrated Learning Systems, Empowering learning, Learning Link system and leadership learning) on employees’ performance is of descriptive-survey type of research. Instruments for survey in this study have been prepared based on Watkins and Marsick questionnaire of dimensions of learning organization, refer to table 2 for this.

**Table 2. Characteristics of questionnaire of dimensions of learning organization**

<table>
<thead>
<tr>
<th>Levels</th>
<th>Dimensions of learning organization</th>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individuals</td>
<td>continuous learning</td>
<td>1-7</td>
</tr>
<tr>
<td></td>
<td>dialogue and inquiry learning</td>
<td>8-13</td>
</tr>
</tbody>
</table>
Content Validity of questionnaire after distributed among professors and experts was confirmed, and Cronbach's alpha was used to determine Reliability coefficient of the questionnaire, that determined equal to 0.84. Statistical population of this study consists of experts engaged in Economic Department of Iran Khodro Company including 85 individuals that census was used for all of them. In this study, data has been obtained through library methods, field studies and questionnaire instruments.

**Data analysis**

Essential data gathered from a questionnaire that its validity tested previously. The data was analyzed using SPSS software by applying statistical tests to confirm and/or reject research hypotheses. In this study, to analyze data using indicators of inferential statistics including Spearman correlation test, Friedman test and multiple regression, hypotheses were tested, and decided whether to reject hypotheses or not. Cronbach's alpha was used to determine reliability of scales. Results indicate that a significant relationship exists between dimensions of learning organization and employees’ performance.

To test research hypothesis, SPSS software version 17 was used. The results from the data analysis have been proposed as follows in table 3.

First hypothesis: dimension of continuous learning affects employees’ performance.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>R</th>
<th>R²</th>
<th>standardized β</th>
<th>t-test</th>
<th>Significance level</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>First</td>
<td>0.965</td>
<td>0.930</td>
<td>0.929</td>
<td>12.686</td>
<td>0.000</td>
<td>Confirm</td>
</tr>
</tbody>
</table>

Statistical tests of first hypothesis have been proposed in table 3. Given these tests, it can say that dimension of continuous learning affects employees’ performance at 0.05 Significance levels. Hence, the first hypothesis is confirmed at 0.95 confidence level.

Second hypothesis: dimension of dialogue and inquiry learning affects employees’ performance.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>R</th>
<th>R²</th>
<th>standardized β</th>
<th>t-test</th>
<th>Significance level</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Second</td>
<td>0.882</td>
<td>0.778</td>
<td>0.9774</td>
<td>7.475</td>
<td>0.000</td>
<td>Confirm</td>
</tr>
</tbody>
</table>
Statistical tests of Second hypothesis have been proposed in table 4. Given these tests, it can say that dimension of dialogue and inquiry learning affects employees’ performance at 0.05 Significance level. Hence, the Second hypothesis is confirmed at 0.95 confidence level.

Third hypothesis: dimension of team learning affects employees’ performance.

Table 5. The results from regression test associated to team learning

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>R</th>
<th>R²</th>
<th>standardized β</th>
<th>t-test</th>
<th>Significance level</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Third</td>
<td>0.840</td>
<td>0.706</td>
<td>0.9702</td>
<td>9.954</td>
<td>0.000</td>
<td>Confirm</td>
</tr>
</tbody>
</table>

Statistical tests of Second hypothesis have been proposed in table 5. Given these tests, it can say that dimension of team learning affects employees’ performance at 0.05 Significance levels. Hence, the Second hypothesis is confirmed at 0.95 confidence level.


Table 6. The results from regression test associated to Integrated Learning Systems

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>R</th>
<th>R²</th>
<th>standardized β</th>
<th>t-test</th>
<th>Significance level</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fourth</td>
<td>0.871</td>
<td>0.759</td>
<td>0.755</td>
<td>10.269</td>
<td>0.000</td>
<td>Confirm</td>
</tr>
</tbody>
</table>

Statistical tests of Fourth hypothesis have been proposed in table 6. Given these tests, it can say that dimension of Integrated Learning Systems affects employees’ performance at 0.05 Significance levels. Hence, the Fourth hypothesis is confirmed at 0.95 confidence level.


Table 7. The results from regression test associated to Empowering learning Systems

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>R</th>
<th>R²</th>
<th>standardized β</th>
<th>t-test</th>
<th>Significance level</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fifth</td>
<td>0.382</td>
<td>0.146</td>
<td>0.123</td>
<td>6.459</td>
<td>0.000</td>
<td>Confirm</td>
</tr>
</tbody>
</table>

Statistical tests of Fifth hypothesis have been proposed in table 7. Given these tests, it can say that dimension of Empowering learning Systems affects employees’ performance at 0.05 Significance levels. Hence, the Fifth hypothesis is confirmed at 0.95 confidence level.

Sixth hypothesis: dimension of Learning Link system affects employees’ performance.

Table 8. The results from regression test associated to Learning Link system

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>R</th>
<th>R²</th>
<th>standardized β</th>
<th>t-test</th>
<th>Significance level</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sixth</td>
<td>0.540</td>
<td>0.291</td>
<td>0.486</td>
<td>7.579</td>
<td>0.000</td>
<td>Confirm</td>
</tr>
</tbody>
</table>
Statistical tests of Sixth hypothesis have been proposed in table 8. Given these tests, it can say that dimension of Learning Link system affects employees’ performance at 0.05 Significance levels. Hence, the Sixth hypothesis is confirmed at 0.95 confidence level.

Seventh hypothesis: dimension of leadership learning affects employees’ performance.

Table 9. The results from regression test associated to leadership learning

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>R</th>
<th>R Square</th>
<th>standardized β</th>
<th>t-test</th>
<th>Significance level</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seventh</td>
<td>0.740</td>
<td>0.547</td>
<td>0.602</td>
<td>8.594</td>
<td>0.000</td>
<td>Confirm</td>
</tr>
</tbody>
</table>

Statistical tests of Seventh hypothesis have been proposed in table 8. Given these tests, it can say that dimension of leadership learning affects employees’ performance at 0.05 Significance levels. Hence, the Seventh hypothesis is confirmed at 0.95 confidence level.

Ranking dimensions of learning organization

According to result from Freidman test, the priority of dimensions of learning organization has been proposed as follows in table 10.

Table 10. Mean of ranks for each learning organization resulting from Freidman test

<table>
<thead>
<tr>
<th>Row</th>
<th>Levels</th>
<th>Dimensions of learning organization</th>
<th>Mean of rank</th>
<th>Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Individual</td>
<td>continuous learning</td>
<td>7/84</td>
<td>continuous learning</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>dialogue and inquiry learning</td>
<td>4/57</td>
<td>team learning</td>
</tr>
<tr>
<td>3</td>
<td>Group</td>
<td>team learning</td>
<td>6/52</td>
<td>Empowering learning</td>
</tr>
<tr>
<td>4</td>
<td>Organizational</td>
<td>Integrated Learning Systems</td>
<td>2/23</td>
<td>dialogue and inquiry learning</td>
</tr>
<tr>
<td>5</td>
<td></td>
<td>Empowering learning</td>
<td>5/61</td>
<td>leadership learning</td>
</tr>
<tr>
<td>6</td>
<td></td>
<td>Learning Link system</td>
<td>1/75</td>
<td>Integrated Learning Systems</td>
</tr>
<tr>
<td>7</td>
<td></td>
<td>leadership learning</td>
<td>3/32</td>
<td>Learning Link system</td>
</tr>
</tbody>
</table>

Results of Freidman test indicate that continuous learning ranked the first, and then team learning and empowering learning ranked the next. According to this test, Integrated Learning Systems and Learning Link system followed by leadership learning are in next ranks.

Table 11. Regression coefficients for variables of learning organization

<table>
<thead>
<tr>
<th>Source</th>
<th>β</th>
<th>Error</th>
<th>Beta</th>
<th>T</th>
<th>Significance level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed value</td>
<td>1/216</td>
<td>0.224</td>
<td></td>
<td>4.943</td>
<td>0.382</td>
</tr>
</tbody>
</table>
Participation rate of each dimension is specified using the data from statistical investigations.

dimension of continuous learning has the greatest correlation coefficient(0.491), and then dimensions of team learning(0.478), Empowering learning(0.394), dialogue and inquiry learning(0.321), leadership learning(0.203), Integrated Learning Systems(0.145), Learning Link system(0.107) affect employees’ performance with the correlation coefficient shown in parenthesis.

**Conclusion and Suggestions**

Despite the varied and complex context in which organizations take step and continue their activities, resources required for the survival of the organization is a decisive fact. However, changing environmental factors, survival, growth and dynamics of the organization are subjected to extensive knowledge of the environmental factors. Lack of confidence because of the increasing environmental changes (economic, social, political, scientific, cultural, etc.), increasing people's needs and expectations, all have caused a new model called the "learning organization" emerges. Such organizations know learning the most appropriate way for their survival and growth of organization. With the advent of a new era and a new organization, today the only large-minded organizations (regardless of their size and appearance) are able to function in a competitive and dynamic management system. Hence, learning organizations have been recognized as one of the factors affecting employees’ performance. The results of research in the context of priority of learning organization’s dimensions indicate that Economic Department of Iran Khodro Company focused more on continuous learning and then team learning and less focused on dimensions of Integrated Learning Systems and Learning Link system. Hence, it seems that attempts have to be mainly centered at Expanding access and sharing of information at expertise level and developing communication to develop performance. Here, another suggestion is that Managers should devolve more responsibilities upon employees and let them for participation in decision-making and implementing decisions. Have to ensure that the organizational members at lower levels have been provided with access to information, and are allowed to decide based on the information provided for them. Given this method,
all members of organization can address improving performance and acquiring a competitive advantage to learning.

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