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An Integrative Literature Review of Organizational Learning Culture and Performance

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Abstract

This study aims to explore the effectiveness of learning organizational culture and performance, using the integrative literature review method.

Keywords: Organizational learning culture, performance

The changing culture of work, the pressures of the global market, the growth of technological complexity, and present changes require that human resource development (HRD) necessitates a reorientation of focus on organizational learning. Watkins and Marsick (1993) stressed that learning is a prerequisite for successful organizational change, innovation, and performance. To that end, organizations should create an environment conducive to high individual learning and development by encouraging organizational learning culture. However, some scholars of learning organizations focused on only the big picture or theoretical research rather than specific practical implementations to create the learning organization (Ellinger et al., 2002; Garvin et al., 2008; Kuchinke, 1995; Rebelo & Gomes, 2008).

We must remove the variety of ways in which certain learning interventions may prove to be invalid or unproductive (Argyris & Schön, 1996, Sterling, 2011). Thus, this study now turns attention to the following questions: Why are we maintaining learning interventions without assessing their effectiveness and modifying them where necessary? What are the triggers to promoting learning culture and the obstacles that organizations should overcome in both academic and practical approaches? Why organizational learning culture is important beyond learning interventions?

In addition, it is a vital role of HRD to prove the relationship between organizational learning and performance because HRD offers real strategic value to the organization in aligning business goals (Ellinger et al., 2002; Kim et al., 2017; Ponnuswamy & Manohar, 2016; Torraco & Swanson, 1995). Therefore, HRD scholars should not neglect performance analysis and persuade stakeholders of the effectiveness of HRD intervention because the primary objective of HRD is to improve organizational performance (Holton et al., 2001). Yet, although there is a great emphasis on proving the performance, the importance and empirical studies of their interactions are overlooked.

These dilemmas and concerns resonated powerfully with my research and juxtaposed future roles in HRD by considering how to ensure continuous learning effects and become a powerful learning organization.

Literature Review

While individual learning is necessary, it is not enough to create organizational change. What potentially leads to organizational change, in addition to individual learning, is the continuous learning and change at all levels of the organizations (Egan et al., 2004; Marsick & Watkins, 2003; Song, 2008). A learning organization has cultural facets - vision, values, assumptions, and behaviors - that support a learning environment (Armstrong & Foley, 2003). As Marsick & Watkins (2003) argue, "learning must be captured and embedded in ongoing systems, practices, and structures so that it can be shared and regularly used to intentionally improve changes in knowledge performance" (p.133). Namely, one-off learning, only focusing on formal learning or individual learning, and learning that has nothing to do with practical work or organizational strategies should be avoided.

Organizational performance has been the most important issue for every organization. In HRD fields, researchers frequently take the performance in the organization's literature to investigate the effectiveness of organizational approaches as an outcome variable. Thus, in terms of performance embraces wide definitions and dimensions due to its inherent complexity (Kim et al., 2017). Traditionally, organizational performance is commonly referred to as financial performance. For instance, De Waal (2007) asserted that high-performance organizations achieve financial results that are better than those of their peer group over a longer period. Knowledge performance has been a renewal of interest in measuring the performance literature. For example, Kim et al. (2017) revealed that a learning organization has a positive relationship with knowledge performance, which knowledge performance also has a positive effect on financial performance.

Indeed, organizations perceive learning as the foundation being powerful tool to support the organizational performance and capacities, which lead a sustainable competitive advantage in the future (Hernandez, 2003; Watkins, 2017).

Method

To synthesize the prior literature rigorously, we adopted an integrative literature review, following the PRISMA guidelines (Denyer & Tranfield, 2009). To pursue our inquiries, we first searched three databases (i.e., ABI/Inform Complete and EBSCO) using the following keywords: “organizational learning culture AND performance”. This search generated a total of 1,279 articles.

Then, we screened the identified articles based on the four eligibility criteria: (1) articles that were published in peer-reviewed academic journals; (2) articles that were written in English, and (3) academic journals that are listed in the SCImago journal rank to ensure the rigor and quality of each study. Guided by the above four criteria, we removed 679 articles that did not meet the criteria were removed at this stage in addition to 189 duplicates across different databases. This screening led to a total of 411 publications for the final analysis. We use Garrard’s Matrix Method (2014) to systematically organize the selected studies above and evaluate them by reading each article thoroughly to identify the trends, issues, or challenges in organizational learning culture and performance.

Discussion & Findings

In the discussion, this section identifies the following findings, after reviewing the final analysis.

Correlation between learning culture and performance

Many studies on the relationship between learning culture and performance have been studied concerning various objects, countries, and variables. Empirical findings are also consistent with theory and provide evidence that supports the positive relationship between organizational learning and performance (Akhtar et al., 2011; Jiménez-Jiménez & Sanz-Valle, 2011). However, one of the critical considerations related to the study between organizational learning culture and performance is that there are various HRD scholars that have used different types of organizational performance factors. For example, several studies have focused on financial performance with several constructs, such as return on equity (ROE), return on assets (ROA), return on investment (ROI), relationship with suppliers, customer complaints, company’s reputation, etc. (S’kerlavaj et al., 2007; Choi, 2020; Xiaojun & Mingfei, 2008; Davis & Daley, 2008; Ellinger et al., 2003; Fuentes, 2008), but it might be avoiding the common method biased in single-respondent design. Also, the question that now arises about financial performance might show the immediate measure (Wilcox & Zeithaml, 2003). inaccuracies in the data (Jiang et al., 2006), and difficulties in providing due to company security issues (Hung et al., 2010), which became the reasons to hesitate to use real financial data. In contrast, intangible knowledge is associated positively with future financial performance (Banker et al., 2000; Wilcox & Zeithaml, 2003; Kim et al., 2017; DeCarolis &

Deeds, 1999). However, further research to explore and unpack this dynamic is greatly needed (Watkins & Kim, 2018)

Organizational learning culture beyond learning interventions

The focus of organizational learning research has been on identifying its effectiveness and correction with other factors and has paid little attention to building learning organizational learning culture beyond just learning interventions. Schein (1985) defines, “organizational culture” as a model of basic assumptions and beliefs that are shared by members of an organization, operate unconsciously, and define an organization’s view of itself and its environment. Gupta et al. (2000) stated that organizational learning demands a high degree of commitment at all levels of the organization. It involves a culture that bases its potential on the desire to improve and learn, and it is shared by all members of the organization. Also, many scholars emphasize the reason to create learning culture system. For instance, Jacobson (1996) identified that humans share learned systems and experiences with others through culture. Brown et al. (1989) revealed that learning involves a process of entering a cultural meaning system. Also, Lakoff and Johnson (1980) revealed that learning systems are mediated through language and interpreted through culture’s specific meaning and values.

Notably, individual behavior is not static and continually tries to gain knowledge by capturing artifacts of the collective cognition of members within organizations. Further, culture promotes building relationships with others because it does not occur in isolation. Relationships may be embedded in the culture of an organization and facilitate learning. Employees can learn by imposing a kind of coherence on messy situations and discover the consequences and implications of their chosen frames within a learning culture (Schön, 1987). Most of all, culture is learned when individuals realize the absence of problems and concerns after training and solving the inevitable problems (Argyris & Schön, 1978). This practice provides a stimulus for employee growth. Accordingly, organizational learning depends on the collective cognitive process and is governed by three stages: individual, team, and organizational learning. Ultimately, organizational learning requires both the individual’s competence and organizational culture to work together (Watson, 1994; Yeo, 2005).

Triggers and Barriers in Learning Organization

Researchers have yet to address the question of what affects building a learning culture positively and what could serve to offset its contribution. Not all organizations establish a strong effective learning culture. Many companies offer irregular learning opportunities to support employees and fail to create a learning culture with broad perspectives and goals (Kim & Kim., 2018). In this respect, consideration of how to promote organizational learning allows the term trigger or trigger event in organizational learning literature. In contrast, this section discusses which barriers prevent the creation of learning organizations.

Trigger

Triggers is a device that activates or causes something to happen. It is also used as a negative meaning that causes discomfort, but this study adopts a positive meaning that promotes motivation and behavior. Knowing and understanding the triggers that motivate employees can aid to create the learning organization.

Triggers in learning organization can be distinguished as internal and external triggers. Internal triggers occur within an organization, which involves mostly humans. Particularly, the role of manager, who supports and supervises the day-to-day work of individuals and teams, is getting more and more salient. For permanent change to occur, managers should behave in accordance with the principles of continuous learning (Bennett. & O'Brien, 1994). Virany et al. (1992) emphasized the role of executive officers to trigger off necessary organizational learning among employees in the top management team. Mohanan (2006) emphasized the characteristics of the teacher who triggers learning. This characteristic refers to teaching skills; continually seeking ways to innovate; strong passion; high emotional intelligence. Further, supportive management practice affects continuous learning because the

learning organization adopts a climate of openness in trust. Organizations should create an atmosphere so that people don't feel insecure when they talk and share it while eliminating barriers (Bennett & O'Brien, 1994). The need for close collaboration and cooperation within teams also imposes to trigger and an unprecedented emphasis on organizational learning (Lewis, 1991). Moreover, successful learning organizations promote the development of entire teams. "Communities of practice" is an example of team learning to learn collectively and continuously reinvent their work. In this sense, Bennett and O'Brien (1994) asked about learning organization: does your organization encourage team learning; do individuals and teams have high-quality development plans? are on-the-job learning opportunities readily available; and are they built into the job?

As external trigger factors, the political, economic, socio-cultural, and technological factors have triggered the learning organization and theory to achieve sustainable competitive advantage and survive (Jamali, 2005). These factors contributed new insights to our understanding of contemporary learning organization and theory: hierarchy, inward focus, cost reduction, production efficiency, high formalization, stable environment, learning, teamwork, value creation, not stability, innovation, agility, and integration (Senior, 2002). Moreover, organizations could support continuous learning by allowing fluid job descriptions to respond to the external changing demands (Bennett & O'Brien, 1994). In doing so, organizational learning has promoted the employees to cultivate their capacity and acquire new knowledge while adapting to new applications. In particular, the high technological change rate overshadows formal education's contribution. Learning-oriented companies use advanced technology to obtain and distribute information. Thus, organizations must prepare their members to catch up with the pace of technology through learning (Atkinson, 1994).

In addition, in terms of the factors that trigger learning, learning can occur when disjuncture, discrepancies between actual and expected results, surprises, or challenges arise (Marsick & Watkins, 2003). In this respect, Miles and Randolph (1980) note that while there is evidence that organizational learning occurs as a result of failure, there is less evidence that organizations learn from their successes.

On the other hand, according to Marsick et al. (1999), the first step of enhancing organizational learning must follow criteria: what one wants to learn (learning goals); how this learning will help further one's own life or career goals and those of the organization (without assuming that these goals are always congruent); how one can best accomplish this kind of learning, given differences in learning styles, personality, motivation variables, and constraints within the organization (p. 92). In other words, identifying the learner's willingness to learn and matching it with the learning goal to design a learning program is an important cause of triggering learning. Adult learners are likely to commit the learning with top-level goals and treat learning itself with a lively curiosity and willingness. Similarly, Zhang and Zheng (2013) asserted that adult learners are more self-directed, having prior experience, and are internally motivated to learn subjects that are more relevant to life and can be applied immediately. In this sense, figuring out the attribute and needs of employees is the first step to trigger their learning willingness.

Barriers.

Organizations do not learn proactively as well as individuals (Watkins & Marsick, 1993). Also, given the tremendous pressure on the performance and market in which an organization functions, such as technological advances, global environment, and competition, organizations should not neglect to develop new knowledge beyond utilizing existing knowledge (Levinthal, 1991). A positive learning climate is linked to the absence of the learner's inhibitions to learning and learning barriers (Baert et al., 2006, p. 89). As such, many scholars have revealed theoretical and practical reasons for the barriers that hinder organizational learning.

Relatedly, Marsick and Watkins (1994) identified barriers that hinder learning organizations. Examples include an individual's inability to change mental models, learned helplessness, tunnel vision, truncated learning, a return to individualism, cultures of

disrespect and fear, entrenched bureaucracy, the part-time or overtaxed workforce, and managing vs. capitalizing on diversity. Among them, related to organizational vision, it must support and promote if organizational learning is to become integral to the company. Strong leaders define the principles of their vision, and engaged teams align recruitment, training, performance management, reward, and recognition with vision. This led to tremendous transformation using a vision and strategy of continuous learning. Similarly, Steiner (1998) also revealed these organizational dilemmas regarding learning barriers, as follows: a meaningless mental model, building a shared vision hard to achieve, team learning unnecessary without shared uncertainty, insufficient individual competence, and managerial actions causing barriers.

Sun and Scott (2003) noted the following why organizations encounter barriers that interfere with learning organizations - a limited understanding of the barriers to learning transfer between the learning levels; limited practical understanding of the triggers that spur the need to survive and learn; and limited understanding of how the constructs or processes that form the learning organizational model impact the learning processes (p. 209). In turn, if an organization understands these emphasizes, dilemmas of organizational can be avoided by an organization. Certainly, organizations should not try to solve the problem in a short period of time or be confident that it will eventually change without reform. HRD professionals should consider aspects in advance and strive to maintain organizational learning continuously beyond the obstacles. Indeed, organizational learning is a long-term and dynamic process. Crossan et al. (1999) asserted that learning takes place over a long period of time and creates tension between assimilating new learning and utilizing or using what has already been learned. Watkins and Marsick (1993) also revealed that learning is closely intertwined with daily work activities, and as a result, it may not stand out as separate from effective individual or organizational practices. In other words, learning is not an immediate event, and the organization is changed during the process of adapting to the learning intervention amid often-recurring problems. That's why HRD experts should avoid the idea that performing learning programs and interventions do not immediately work in the field and that a learning culture will be established.

Moreover, Green and Cluley (2014) asserted that one of the reasons to hinder organizational learning is the effects of radical innovation within an organization. The radical innovation caused a shared organic organizational culture to become separated and mechanistic. Thus, they suggested further research can investigate how managers can balance between the need for innovation and the need for an organizational culture that can accept new ideas. Also, if organizations are dominated by the performance-oriented paradigm, it also might not support the organizational learning culture. In this case, stakeholders tend to focus on rapid growth and development rather than learning and individual growth that must carry out in the long term (Kim & Kim., 2018). Eventually, learner's needs and approaches to learning programs might be silenced in decision-making processes.

Implication and Conclusion

Considering what led us to our current understanding of HRD and mapping it, the exploration of HRD's relationship with its next objectives is of interest to scholars and practitioners.

Swanson (1994) asserted that HRD must contribute directly to critical business goals and must be based on essential business performance requirements. HRD's main function is to improve employees' capabilities, expand opportunities, and provide high-level and timely training. HRD has been focusing on ways in which organizations can promote continuous learning opportunities. Learning will lead to performance improvement only when it is performance-enhancing and applied in the workplace. As such, HRD practice has been based on the belief that learning will trigger performance improvement (Song, 2008). However, there is occasionally a disconnect between learning and outcomes as related to profit, and the effects of learning interventions might not immediately occur, and it takes time to build a

learning organizational culture. Accordingly, it is necessary to persuade these principles within organizations, and providing evidence for the relationship between learning and performance to employers and executives is crucial for HRD to receive more stable support.

Most importantly, to improve performance at the organizational level, it is essential to create a culture for the situation of continuous learning for employees and apply it in the workplace (Rothwell & Cookson, 1997, van der Sluis, 2007). Thus, this study contributes toward moving the field beyond the question of whether organizational learning is linked to performance and toward understanding under conditions for the learning organization.

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