



Impact of Organization Culture on I-Learning

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ABSTRACT

Organization culture is an integral part of every organization. It is a whole of principles, beliefs, expectations, norms, attitudes, and habits characteristic only to its members, treated as a group consciousness of these people, which determines their reaction to the processes inside and outside the organization and causing their behavior. It may be stated that formation of culture is a dualist process, which forms naturally under the influence of external and internal factors, or may be formed, altered artificially realizing the corresponding measures by the organization employees and especially by its managers.

Organizational learning is very important factor for the survival and persistence of organization in today world market, since it is one of the main factors of competitive advantage. In constantly changing market the technologies, new products causing revolution, new needs of customers and employees, financing possibilities appear. Learning organization is qualified to create, obtain and transfer knowledge, and not to be afraid of changes in order to reflect and apply new knowledge and skills. This forms the basis for disclosure of employees' potential, the possibilities for regular and continuous development of organization occur. Thus modern society and learning organizations are oriented towards continual change and learning. Therefore, it is important to find out how organization culture influences learning.

INTRODUCTION

Scientists quite in detail analyze the issues of both individual and organizational learning. A direct benefit of learning and organization results is identified; therefore it is important to create an appropriate organization culture promoting organizational learning. A problematic question: what is the impact of different organization culture types on organizational learning?

Object of paper – impact of organizations' culture on learning.

Objective of this paper – to determine the impact of organisation culture on learning.

To reach this purpose the following key tasks were set:

- To evaluate exploration level of organization culture impact on learning;
- To reveal impact of different organization culture types on organizational loop learning;

Research methods: analysis of scientific literature, questionnaire and statistical analysis.

1. THEORETICAL GROUNDING

Various scientists (Schein, 2001; Camero & Quinn, 2011; Denison, 1990; Morden, 1995; Singh, 2010; Vveinhardt, 2011; Šimanskienė 2008) have analysed, described and recommended quite a lot of various models and methods for creation and formation of organization culture. The major part of them are based on cultural values or values, on the basis of which the efforts of organization members may be unified to implement the strategies, herewith ensuring the survival of organization itself in the competitive environment. Most authors note that culture formation is a dualistic process. In one case the organizational culture forms naturally, under the objective functioning of internal and external factors, and in other case it is formed and altered artificially by the organization employees and especially managers realizing the corresponding measures.

As it was mentioned before, a variety of studies about organization culture often includes the creation of successful organization culture. This perfectly reflects in the study of researchers Kotter & Heskett (1992), in which 200 organizations took part. The purpose of the research was to determine what factors have contributed to higher success of organizations' culture. Kotter & Heskett (1992) in their research established two culture levels, i.e., visible and invisible, which are more properly shown in theoretical part of paper. The first, visible level includes models and style of employees' behavior. The second, invisible level involves generally accepted long-term values and attitudes. Although the elements of the second level may be changed with more difficulties, Kotter & Heskett (1992) claim that changes of the first and second level elements – behavioral models and style – eventually may initiate the alteration of common values.

Besides, the study of scientists has proved that the impact of culture on organization activity is strong and the following conclusions were made:

- Organization culture may have a significant impact on company's long-term economic activity;
- Organization culture will probably be even more significant factor determining success or failure of companies in coming decades;
- Organization cultures impeding a strong long-term financial activity are not rare; they easily appear even in the companies where many intelligent and wise people work;
- Though it is difficult to change this, however organization cultures may be formed in such a way to enhance organization activity.

Šimanskiene and Sandu (2013) confirm the results obtained by Kotter and Heskett (1992), i.e., the organization culture consists of visible (physical environment, symbols) and invisible (employee's feeling) elements, which proves the difficulty of its analysis. The other important step in the assessment process is the selection of measures for data collection. In the opinion of E. Schein (2001), cultural studies may be analyzed in two ways – qualitative and quantitative. Qualitative studies help to form a full image of culture, what cannot be achieved through quantitative studies. However data not always may be compared objectively. Quantitative studies are more suitable to compare data, and to verify various theories.

Šimanskienė (2008) having analyzed various scientific attitudes states that their great variety allows managers and owners of many business companies, especially those who are theoretically prepared, successfully pursue the enterprise activity results applying scientifically grounded certain managerial models.

As Singh (2010) claims, to keep pace with rapid environment changes, organizations must adjust to them, otherwise there is a risk of survival in present-day environment. Organizations have to be flexible, constantly developing, to obtain a competitive advantage, be able to adapt, and try to forge ahead. In order to fulfil the challenges in this rapidly changing environment, organization must create and absorb new knowledge, promote innovations, and learn competing in new ways. Organization culture plays a very important role in order to retain learning process in organization, to make it learning one. In the research made by author the link was established between organization culture and learning organization in business organizations and the conclusion was made that organization culture plays an essential role in the development of learning organization.

Singh (2010) analyzed the dimensions of organization culture and relations of learning organization in Indian business organizations. The organization culture in the study was identified and analyzed as significant variable affecting the creation of learning organization. Singh (2010) sets eight hypotheses, one for each culture dimension, claiming that it has a significant and positive relation with learning organization.

Culture dimensions having a significant relation with learning organization:

- Openness;
- Confrontation;
- Confidence;
- Authenticity;
- Action „before“ (anticipation in advance);
- Autonomy;
- Cooperation;
- Experimentation.

The results of Singh's (2010) research have shown that there are three organization culture dimensions positively related with learning organization: openness, action „before“, and experimentation. Thus, it may be deemed that these three organization culture aspects are directly affecting the creation and maintenance of learning organization environment. Besides, from the results obtained it may be concluded that openness and action „before“, in the organization culture are the most important variables, which explain the variance of learning organization and were significant. Experimentation variable also positively contributes to the creation of learning organization. The dimensions of authenticity, autonomy and cooperation are significant; however they are not positively related to learning organization. Other organizational culture dimensions, namely confrontation and confidence, are not significantly related to learning organization. Although these aspects are essential requirements for culture, their contribution to organizational learning is not direct.

However it may be noticed that there is no single opinion of authors regarding the impact of learning organization in respect of factors' culture. Duden (2011) notices that the basis of organizational learning culture is namely confidence and leadership. While in the research carried out by Singh (2010) the hypothesis, claiming that confidence has a significant and positive relation with learning organization was rejected. The research results have shown that confidence is not significantly related with learning organization. Though this aspect is essential requirement for culture, however the contribution to arrangement of learning is not direct. As Duden (2011) states, according to theory, many possibilities to manage learning processes are described where learning culture manifests through confidence. However, this is practically not easily re-

stored or accessible, since the grounds of learning culture are implemented inside the entire enterprise and involve all employees (leaders, managers, officials, employees, etc.) It is claimed that learning culture conducted by confidence ensures constant growth, innovations, leadership in the market, what bring enterprise to success.

Fard, Rostamy & Taghiloo (2009) carried out empirical research to analyze the impact of organization culture on learning. The research focused on five organizational learning dimensions: personal competence, psychiatric model improvement, vision sharing, team formation, systemic thinking, which were suggested by Senge (1990) as criteria for the assessment of learning organization. After the research following results were obtained:

- Great positive relation between organization culture and organization when forming a learning degree.
- Great negative relation between bureaucratic culture and organization when forming a learning degree.
- Great negative relation between competitiveness culture and organization when forming a learning degree.
- Great positive relation between participation culture and organization when forming a learning degree.
- Great positive relation between learning culture and organization when forming a learning degree.

Referring to studies made by scientists it may be claimed that organization culture has a significant impact on a long-term economic activity of company. The organization significance is forecasted to grow even more in future, what will affect the success or failure of companies. It is important to note that organization culture may be formed but it is a difficult process where a leader plays an important role. Also more than one culture may prevail in the organization. To speak about organizational learning it is positively related with innovations, and organization culture may promote both organizational learning, and technological innovation, but also may act as a barrier. There is no single opinion of authors regarding the impact of learning organization in respect of factors' culture. On the basis of different empirical studies of scientists, the following most mentioned features of organization culture positively affecting organizational learning could be singled out: experimentation, open culture, employees' expression possibilities, environment observation and responding to changes. As the barriers inhibiting development of learning organization, the bureaucracy and rules were mostly accentuated.

2. METHODOLOGY AND RESULTS OF THE RESEARCH

The research was made to reveal the impact of organisation culture types on organizational learning on the basis of questionnaire data of private sector enterprises in Lithuania. The research was performed in 2015.

Research sample. To determine a research sample, non-probability formation of sampling group under the principle of "snowball" applying the method of convenient selection was chosen. First, a part of persons featuring by certain characteristics interesting to the research (a person working in private sector enterprise or organization) was selected. Later these persons at the request of the researcher have indicated other persons with analogous features, and the latter indicated the other, etc. Thus, a test group has grown as a "snowball" up to 155 respondents from 58 different enterprises.

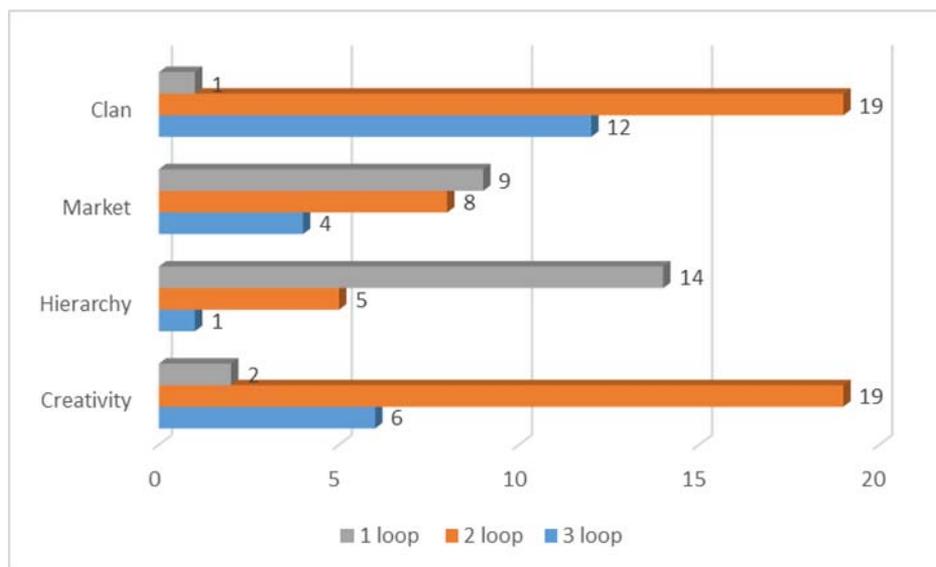
Questionnaire characteristics. To form questions with the aim to find out the organization culture type, the model of Cameron & Quinn (1999) was taken, in which organization cultures are classified into four groups and coded accordingly: A-Creativity; B-Hierarchy; C-Market; D-Clan. The questions for assessment of organization culture have four possible answers, where

for the assessment of one question 100 points are given in total. In the second part the answers related to the level of organizational learning and loop learning are presented. Organizational learning loops are established using models presented by Argyr and Schon (1978), Akhtar & Khan (2011), Liepė & Sakalas (2008). The research tries to analyze how different types of organization culture affect organizational learning. The hypotheses were raised:

- H1 – creativity culture has a positive relation to organizational learning;
- H2 – hierarchy culture has a negative relation to organizational learning;
- H3 – market culture has a negative relation to organizational learning;
- H4 – clan culture has a positive relation to organizational learning.

First it was determined what organizational learning type prevails in the organizations of respondents. 2–5 questions were invoked for this, in the answers of which the culture types of clan, creativity, market, and hierarchy were inscribed. To reveal organizational learning level the 7th question was analyzed, where in the named statements the learning levels of three loops were inscribed on the basis of which the conclusion is made whether organization is learning. Respondents assessed the statements under the principle of Likert scale. Grouped data of organizational culture and learning loops is presented in Figure 1.

Figure 1. Distribution of organizational culture and loop learning ($P < 0,05^*$ except market culture)



In general the diagram of presented summarized data of private sector organizations indicates that organizations are distributed in different ways among all learning loops, however we may see the dominance of certain cultures in the first, second or third learning loop. First of all it is worth to mention that the second loop may be attributed to learning organization since, as Love & Gunasekaran (1999) state, double-loop cycle learning not only monitors present processes but also includes the changes in organizational culture, politics, objectives, strategy and structure. While one loop learning does not promote studying, problems are solved in present norms and according to Mason (1993) this is non-strategic learning, which is not attributed to learning organization. Three loop learning still is little analysed however it is considered to be the most effective learning level.

Thus hypothesis H1 states that the creativity culture has a positive relation to organizational learning. Under the research results 19% respondents indicated that the creative type culture prevails, where double-loop learning flourishes and 12% indicated three loop learning, while only 2% of respondents indicated one loop learning level. Therefore it may be concluded that the type of creativity culture positively affects organizational learning. In the study made by Singh (2010) where organization culture dimensions positively affecting learning organization were analyzed, the experimentation, action “before” and openness have proved. These dimensions are also characteristic to creativity culture, where environment is learning-friendly, and employees feel themselves able to learn and make experiments with new ideas.

Hypothesis H2 approaches that hierarchy culture has a negative relation to organizational learning. The obtained answers of respondents show that in major part (14%) of hierarchy culture, one loop learning is developed, and two and three loop learning are 5% and 1% respectively. Thus this hypothesis was also proved, since hierarchy culture affects the organizational learning as a barrier. The employees of organization where such culture type prevails are interested in safe work and predictability, and long-term concern of organization is to keep stability and smooth activity. Observing such conditions enterprise is not capable to remain competitive in today's market.

According to hypothesis H3 market culture has a negative relation to organizational learning. As data obtained shows, under the one loop learning the market culture is the second after hierarchy, i.e., 9%. However this culture prevails in both of two and three loop learning cycles, 8% and 4% respectively, what makes more after summing up compared to 1 cycle learning, but these differences are not significant. After such data hypothesis H3 cannot be proved. Though according to results of the study carried out by Sanz-Valle, Naranjo-Valencia, Jimenez-Jimenez, Perez-Caballero (2011) it was stated that market culture acts as a barrier for learning organization to develop, however assessing from the perspective of learning organization loops it resulted that market culture does not have a great negative impact on organizational learning.

Hypothesis H4 states that clan culture has a positive relation to organizational learning. By the highest percentage clan culture is attributed to the second loop learning, i.e. 19%, however this culture also leads in three loop learning level (12%). While the clan culture makes only 1% between one loop learning cycles. Therefore we conclude that clan culture makes the strongest positive impact on learning organization.

Thus referring to the research results, a manager, who seeks to make the organization as learning, has to promote culture with strongly expressed feeling „we“, a team work, valuable team, participation of employees in organization activity, transfer of more powers to employees, creation of humane, friendly working environment, open communication of members should be encouraged and appreciated. It is advisable to avoid structured and formalized organization culture, where stability and permanence are appreciated, and the members are related by formal rules. This may become a barrier for creation and development of learning organization.

CONCLUSION

Referring to studies carried out by scientists it may be claimed that organization culture has a significant impact on a long-term economic activity of organization. It is predicted that significance of organization culture will grow even more in the future, what will affect the success or failure of organization. It is important to note that organization culture may be formed but this is a complicated process, where a leader plays an important role. Also it is noticeable that more than one culture may predominate in organization. After the analysis of organization culture types reflecting the main values, desirable behaviour and criteria of successful activity, it may be claimed that types of creativity and clan culture form the environment favorable for development of learning organization in respect of the characteristics of learning loops.

Empirical research results have revealed that creativity and clan culture positively affect organizational learning, the market culture has no significant impact on organizational learning, and hierarchy culture negatively affects organizational learning. Learning organization has to inseparably link to such values which are close to creativity and clan culture. Therefore a personal initiative as well as freedom to make decisions should be supported, and individual as well as organizational learning must become one of the basic elements of organization culture.

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