

4 Objectives of the Research

Strategic management and the recognition that a strategic skills pool is required for competitive advantage have highlighted the role of Organisational Learning (OL) in corporate strategy (Barnes, 1991; Grant, 1991; Iles, 1997). It is suggested in this research that competencies have a role in OL. This approach is consistent with Crossan *et al* (1995, p.343) who viewed the individual approach to OL “as focused on employee recruitment, training and development, and employee turnover”.

The three concepts of learning presented by the business approach to learning, discussed in chapter 1 - namely knowledge base, firm-specific or core competencies and routines - suggest an element of group and organisational level learning. Chapter 1 has reviewed the importance of learning to the business environment. Dodgson (1993) added that the nature of the knowledge base and firm-specific competencies are peculiar to particular organisations and are crucial to organisational competitiveness and ultimately to success. Dodgson (1993) also suggested that collective learning is dynamic, but may be constrained by the current ways of doing things, know-how and routines. Marengo (1992) suggested that when all members of an organisation are characterised by a given, constant learning process, the way in which knowledge, information and communication flow are distributed in the system can give rise to different patterns of OL. There may be a number of learning processes where each individual and group within the organisation have their own knowledge base and learning capabilities. Daft & Huber (1987, p. 29) stressed that “systematic research on OL is not likely to progress far without an effort to develop measures that operationalize basic learning concepts. Many aspects of OL are elusive and ill defined. Concepts often pertain to understanding as it takes place within the minds of managers, which is hard to identify and measure. Initial research could focus on defining and operationalizing relevant dimensions...”.

The research of Study One and Two of this thesis sought to identify and operationalise the 'elusive concepts' required for OL. In order to identify and operationalise the 'learning concepts', the competency approach was chosen to research OL. The competency approach was applied because competencies consider behaviours, which are observable and measurable.

The competency approach to learning in organisations has been alluded to in chapter 1 originally proposed by Prahalad & Hamel (1990) and Pavitt (1991). It is the behavioural nature of the competency approach that provides the key to the power of the approach. As well as providing a frame of reference for assessment and development, competencies also encourage the direct observation of individuals and hence facilitate the provision of specific and behavioural feedback to those being assessed and developed. In doing so, it is suggested they also provide a framework to support and help achieve an organisation's strategy and vision.

Dulewicz (1989), Schroder (1989) and Woodruffe (1993) have suggested that a universal core competency model for managers is required. It is with this in mind that the research presented here sought to provide a competency framework to support current models of OL and Learning Organisations.

For Learning Organisations, it is suggested that the competency approach be used to provide a people-based and behavioural framework within which organisations can explore and develop OL. Measures of competencies in the context of OL are necessarily of a perceptual level and provide an indication of the perceived OL climate, in much the same way as perceptions of political behaviours provide a measure of an organisation's political climate.

The literature suggests that OL is necessary for competitive advantage (Garratt, 1987; Stata, 1989). There is no empirical evidence to establish whether key elements of a particular OL profile result in increased competitive advantage. Competitive advantage has not been clearly defined in terms of tangible or

measurable criteria such as profits, share value or turnover. Furthermore there is no empirical evidence to link, for example, OL with factors of organisational performance such as profit, turnover or share value. However, individual measures such as organisational commitment have been defined and measured with respect to organisational performance (e.g.: Bhuian & Shahidulislam, 1996; Suliman & Iles, 2000). No studies have been undertaken, however, to examine whether there is a relationship between OL and organisational commitment.

Theoretically it seems reasonable to propose that where OL is present, competitive advantage should be increased. A number of organisational factors contribute to competitive advantage including job satisfaction, organisational commitment and financial management. OL may underlie a number of concepts of organisational behaviour which cumulatively may contribute to an effective workforce, which in turn would add significantly to competitive advantage. This is particularly so for those organisations in which people are crucial to its success, for example those in the service industry. In the context of this thesis, air transport is no exception.

Other aspects of OL may have direct links with concepts of organisational behaviour, which in turn may have an impact on organisational performance. As discussed in chapter 2, the research also aimed to establish whether there was a relationship between OL competencies and organisational commitment because some of the antecedents for organisational commitment identified by Allen & Meyer (1990) were similar to some of those identified in the OL literature. It follows, therefore, that there may be a link between OL and commitment.

The organisation in this research was British Airways. At the time the research was undertaken, British Airways was in a long period of transition following two years of poor financial performance. This poor performance led to organisational changes, which in turn suggested organisational commitment as a subject of research. It was during these changes that the research was conducted.

Organisational commitment was chosen since it is known that organisational commitment and turnover are related (Porter, Crampon & Smith, 1976; Porter, Steers, Mowday & Boulian, 1974) and so would serve as a useful indirect measure of organisational well-being. Indeed it is also known that organisational commitment and performance are related (e.g. Bhuian & Shahidulislam, 1996; Suliman & Iles, 2000). Furthermore, as discussed in chapter 1 and 2, there are anecdotal claims that OL is related to organisational commitment (e.g.: Domsch & Harms, 1997; Pedler *et al*, 1997). Little empirical research was found in the OL literature that explored the relationship, if any, between OL and commitment.

The general hypothesis of the research in this thesis is that there is a relationship between Organisational Learning and organisational commitment because some of the antecedents that Allen & Meyer (1990) identified were similar to OLFs. It is hypothesised that OL competencies may be directly related to organisational commitment. It is also hypothesised that the continuance commitment antecedents that Allen & Meyer (1990) identify may be predicted from the levels of OL in British Airways. For example, the learning and development is an antecedent of levels of continuance organisational commitment. It is hypothesised that an OL competency covering different aspects of learning and development, in OL terms, would be predictive of the level of continuance organisational commitment.

An Employee Opinion Survey (EOS) was conducted by the organisation in the first two years of this research, namely 1998 and 1999. Of relevance to this research is the fact that the EOS results indicated that morale was particularly low in both years prior to the organisational changes that started in autumn 1999. These organisational changes included restructuring and the reduction of headcount through voluntary severance. The EOS indicated that employees were satisfied with their jobs.

Given that morale was low, and that job satisfaction did not appear to be affected, it is suggested that levels of organisational commitment had been affected. The research here sought to establish whether there was a relationship between Organisational Learning and organisational commitment.

Two components of organisational commitment were identified to include as dependent variables in this research, namely affective and continuance organisational commitment (Allen & Meyer, 1990). Allen & Meyer (1990) defined affective organisational commitment as the employees' emotional attachment to, identification with, and involvement in, the organisation. The strongest evidence for affective organisational commitment has been provided for work experience antecedents, most notably those experiences that fulfil employees' psychological need to feel comfortable within the organisation and competent in the work role (Allen & Meyer, 1987a). Allen & Meyer (1990) defined continuance organisational commitment as "the magnitude and/or number of investments individuals make and a perceived lack of alternatives" (p. 4). For example, the fewer viable alternatives employees believe are available, the stronger their continuance organisational commitment. Suliman & Iles' (2000) suggested that affective and continuance organisational commitment were related to job performance and that organisational commitment is a mediating factor between organisational climate and performance. Suliman & Iles (2000) also suggested that employees may need to develop their performance to guarantee the continuance of their membership of the organisation, and consequently to benefit from their organisational investments and retain them. Greater involvement in the organisation may also increase affective organisational commitment. Bhuian and Shahidulislam (1996; p. 7) concluded that "... [When] employees perceive higher job security and greater satisfaction with jobs in general, the level of their continuance commitment will be higher. This can be useful because enhancing job security and creating a positive work environment could be economical for firms in terms of reducing costs associated with losing employees".

4.1 Aims and Objectives of the Research

The primary aim of this research was to develop a framework of core competencies for OL.

The main objectives of this research were to:

1. Identify and operationalise the competencies required for Organisational Learning within a large multinational organisation.
2. Explore the interrelationship between Organisational Learning competencies.
3. Assess the OL competency climate profile of a multinational organisation by examining occupational subgroup, departmental and regional differences in perceptions of Organisational Learning competencies.
4. Investigate the relationship between perceived levels of Organisational Learning competencies and organisational commitment.

In order to meet the above objectives, two studies were undertaken with the participation of British Airways, a UK based global air transport company undergoing considerable change and transition. The two studies applied contrasting methods of inquiry as suggested by Easterby-Smith, Snell & Gheradi, (1998) and Easterby-Smith, Crossan & Nicolini (2000) in order to assess and research OL empirically, since there is a lack of empirical research into OL (Easterby-Smith, 1997). Study One applied a qualitative research approach which was used to operationalise the Organisational Learning competencies to British Airways. From this work an initial conceptual competency based framework of Organisational Learning was developed. Study Two applied a quantitative method of enquiry (Easterby-Smith *et al*, 1998; Easterby-Smith *et al*, 2000) to develop further the conceptual competency model from Study One into a factor model. This factor model was then applied to British Airways. Study Two assessed these

competencies by means of a global questionnaire survey. The survey also included sixteen organisational commitment items so that the relationships between Organisational Learning competencies and commitment could be subsequently explored. Study Two investigated whether there were differences across departments, job grade and geographical region. Study One and Study Two together addressed the objectives of the research. The Discussion drew together the objectives of the research and discussed them in relation to OL theory discussed in chapter 1, the models of Organisational Learning and Learning Organisations presented in chapter 3. Finally, the results were applied to evaluate the OL climate of British Airways and organisational commitment. Further research was suggested throughout the discussion. There were however, constraints imposed on this research and it is important to highlight and discuss the constraints and the business context in which this research was undertaken. The constraints and business context of this research is discussed in the next chapter.