

The Relationship Between Organizational Learning and Innovation: A Case Study of Learning Organizations

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This article examines how organisational learning and innovation interact. Innovation, which boosts productivity and competitiveness, requires workplace learning. This study examines the interactions of these two main variables holistically. 300 employees from 100 enterprises and 100 stakeholders with close relationships to these organisations are polled, interviewed, and their corporate records evaluated in a mixed-methods study. We assess how well these companies' organisational learning practices foster innovation.

This study's findings on organisational learning and creativity illuminate various aspects, including knowledge generation, sharing, application, and reflection. The study also examines organisational barriers to innovation and learning.

This study analyses employee and stakeholder perspectives to better understand organisational learning and innovation. These findings affect the development of learning, innovation, and corporate performance approaches. This study helps companies capitalise on the synergy between organisational learning and innovation to grow and compete.

Keywords: organisational learning, innovation, knowledge creation, knowledge sharing, knowledge application, and reflection

INTRODUCTION

It is now a crucial factor in determining whether or not an organisation will be successful to determine how well it can innovate and adapt to the fast shifting and intensely competitive business climate of today. Adebowale, B.A., Diyamett, B., Lema, R. and Oyelaran-Oyeyinka, O. 2014), It is common knowledge that innovation is one of the most important factors in determining growth, competitiveness, and long-term sustainability. As a consequence of this, businesses in a wide variety of fields are consistently looking for new ways to encourage creativity inside their own organisational structures. (Kapri, Tapan and Kumar, Puneet 2010). Organisational learning is one of the most important factors that has received an increasing amount of attention in this environment. (Cabaguing, Jordan M. and Lacaba, Teresita Villa G. 2022).

The term "organisational learning" refers to the process through which organisations acquire, share, and use new information in order to adapt to changing conditions and enhance their overall performance over time. (Reyla, June S.2022). It comprises not only the acquisition of new knowledge but also the capacity to effectively put that knowledge to use, and it incorporates both individual and group learning within an organisation. (Galvez, Rosalyn S. 2021). Learning organisations, in particular, are distinguished by their dedication to the promotion of a culture of continuous learning, in which employees are encouraged to share their expertise and adapt and innovate for the benefit of the organisation as a whole. (Mendoza, Rose Marie N. and Dayao, Edna F. 2021).

The connection between organisational learning and innovation is a topic that has garnered a significant amount of attention from academics, business professionals, and governments. (François, 2002; Akgun et al.,2007) It is a commonly held belief that businesses that place an emphasis on learning are in a better position to come up with innovative ideas, adapt to shifting market conditions, and maintain their competitive edge. (Medase, S.K. 2020) Nevertheless, despite the fact that the theoretical connection between these two ideas is well-established, the actual data that supports this relationship continues to be scattered and reliant on the circumstances. (Alegre and Chiva, 2008; Fang et al., 2011)

The purpose of this research article is to provide a contribution to the current body of knowledge by performing an in-depth investigation of the connection between organisational learning and innovation, (Salim, I.M., & Sulaiman, M. 2011) with a specific emphasis on learning organisations. We hope to get a better understanding of how learning organisations foster a culture of learning and how this, in turn, drives their innovation processes by adopting a case study method in our research. This will allow us to examine specific examples. (Adebowale, B.A., Diyamett, B., Lema, R., & Oyelaran-Oyeyinka, O. 2014).

Knowledge management advocates the idea that an organization's capacity to learn serves as the primary vehicle for creating new products and services (Gunsel et al. 1986). Institutional vitality isn't the only thing innovation matters for; it also influences social and economic shifts, helps businesses maintain their competitive edge, ensures their continued existence, and boosts their efficiency (Lyon D, Ferrier W., 2002) Learning from both internal and external sources helps firms that desire to innovate, according to the literature. On the other side, when learning is based too heavily on prior experiences, performance suffers. Although there have been more research on innovation and learning in recent years, the role of learning capability, which is focused on the absorptive and transformative role of learning capability, has not advanced as far as it could have in conjunction with innovation competitive strategies (Weeraward valve, J., 2003).

There is a growing impetus among scholars to unlock the relationship between organizational learning and firm innovation (Franois, 2002; Akgun et al.,2007; Alegre and Chiva, 2008; Fang et al., 2011; Ugurlu and Kurt, 2016; Gomes and Wojahn,2017). However, the extant literature is limited to exploring the relationship between product innovation and OL, which is the capability of a firm to acquire, transfer and integrate knowledge to improve its performance (Jerez-Gomez et al., 2005). Thus, there is disproportionately little evidence of how this capability simultaneously affects the other dimensions of organizational innovation (OI), namely, process and administrative innovations. OI, which refers to the implementation of an internally generated or borrowed idea pertaining to a product, device, system, process, policy, program or service that is new to the organization at the time of adoption (Damanpour and Evan, 1984), extends beyond product innovation and includes process and administrative innovations as well (Damanpour and Evan, 1984;Movando and Farell, 2003; Nasution et al., 2011; Jimnez-Jimnez and Sanz-Valle, 2011). Moreover, although it has been argued that learning facilitates firm innovation, there is little empirical evidence of how OLC impacts administrative innovation (Santos-Vijande et al., 2012).

Qualities of Learning Organizations

- Continuous Learning: Learning organizations have a strong commitment to continuous learning, where employees are encouraged to acquire new knowledge and skills on an ongoing basis.
- Open-Mindedness: Learning organizations foster an open-minded culture that encourages employees to challenge existing beliefs and assumptions, promoting a willingness to explore new ideas and perspectives.

- Shared Vision: Learning organizations have a shared vision that aligns all employees towards a common goal, creating a sense of purpose and direction.
- Commitment to Learning: Learning organizations prioritize learning and provide resources and support for employees to enhance their knowledge and skills.

Processes of Learning Organizations

- Knowledge Creation: Learning organizations actively promote the creation of new knowledge through various means such as research, experimentation, and collaboration.
- Knowledge Sharing: Learning organizations facilitate the sharing of knowledge among employees, promoting collaboration and the exchange of ideas and best practices.
- Knowledge Application: Learning organizations emphasize the practical application of knowledge, encouraging employees to apply what they have learned to solve problems and improve performance.
- Reflection and Evaluation: Learning organizations encourage reflection and evaluation of past experiences and outcomes, fostering a culture of continuous improvement and learning from mistakes.

Objectives of the Research

- To investigate the conceptual underpinnings of organisational learning and innovation while putting an emphasis on the interrelationships between the two.
- To investigate the qualities and processes of learning organisations that make them effective in fostering organisational growth and development.
- The purpose of this research is to investigate the impact that organisational learning has on many aspects of innovation, such as product, process, and strategic innovation.
- To determine the probable obstacles and difficulties that stand in the way of the transformation of organisational learning into innovative new products or processes.

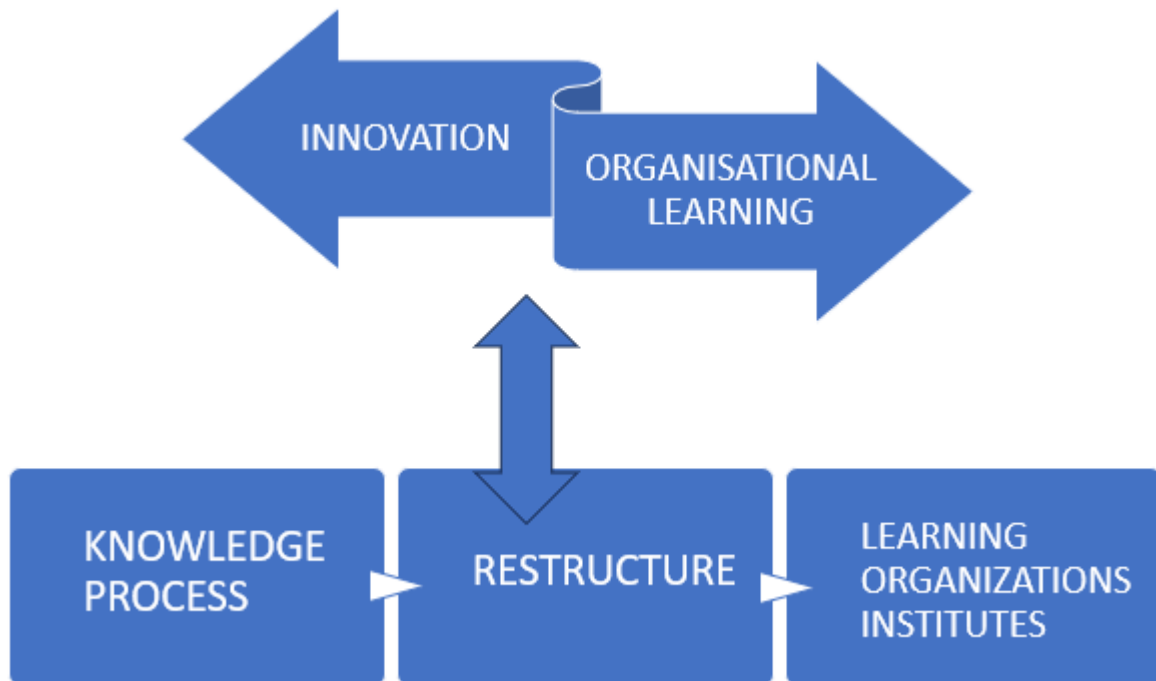
Theoretical Framework

The relationship between organisational learning and innovation is emphasised in the conceptual framework that underpins organisational learning and innovation. (Ugurlu and Kurt, 2016; Gomes and Wojahn, 2017) According to the dynamic capability theory, organisational learning capability (OLC) is an essential factor in the development of innovative new products and services offered by businesses. The ability of a company to integrate, build, and reconfigure its knowledge and resources in order to provide new solutions and adapt to shifting surroundings is referred to as organisational learning capacity (OLC).

The capability of an organisation to learn helps to improve organisational innovation (OI) in general as well as its subdimensions, such as product, process, and administrative innovations. Agarwal, Nidhi and Verma, Monika (2019). There are a number of key factors that contribute to an organization's propensity to launch new products, processes, and administrative practises. Un, C.A., & Asakawa, K. (2015). These factors include a shared vision among the members of the organisation, a commitment from top management to cultivate a learning culture, an organisational culture that welcomes new ideas, and a system to share and accumulate knowledge.

Using the dynamic capability theory (Teece et al., 1997), this study aims to explain how OLC affects OI. This theory emphasizes the integration, building and reconfiguration of firm-specific resources, capabilities and competencies to cope with the ever-changing environment. Firm-specific capability reflects a firm's ability to initiate and implement innovative ideas that are built through a continuous learning process. Through this capability, the firm develops management capabilities and integrates R&D, product and process development, manufacturing, human resources and organizational learning (Eisenhardt and Martin, 2000).

FIGURE 1
THEORETICAL FRAMEWORK SHOWING INNOVATION AND ORGANISATIONAL
LEARNING FOR FIRM PERFORMANCE PROCESS



It is recommended that organisations do rid of antiquated conventions, value systems, and regulations that make the process of learning more difficult in order to encourage innovation. The first step in developing a culture that encourages innovation is for the leaders of an organisation to take the initiative to set up a process that prioritises learning as an essential resource for accomplishing strategic goals. Additionally, businesses should work to improve their capacity for absorption by gaining new knowledge, integrating that knowledge into their organisational processes, and using that knowledge to increase their level of competitiveness.

RESEARCH DESIGN

Sample

Knowledge Creation, Knowledge Sharing, Knowledge Application, Reflection and Evaluation will form the theoretical foundations of the study, which will survey 300 employees of 100 firms consisted of 42.83% male and 57.75TTG1% female staff using these novel methods and 100 stakeholders of firms. The firms were selected using a stratified sampling method according to their proportion to the total sample size. To ensure proper representation and generalizability, we divided the population into geographically distinct strata using robust statistical methods. Participants were randomly selected from each stratum based on demographic information such as gender, age, and reading history.

Data Collection

Distribution of the survey questionnaire to the sample population will be the primary means of collecting data. The survey will be given to participants either online or in person, depending on what works best for them. The participants will be given detailed instructions on how to answer the questions and plenty of time to finish the survey. Participants' identities and confidentiality will be protected throughout the data collection process.

Materials and Equipment

The questionnaire will include questions tailored to gauging the success and influence of innovation strategies and organisational learning within the current scenario, as well as exploring how the application of different organisational learning institutes in the corporate landscape may aid in the advancement of economic growth, social inclusion, and environmental protection.

RESULT AND DISCUSSION

We surveyed 300 workers from various companies to see whether or not there is a correlation between organisational learning and innovation factors influencing company performance.

TABLE 1
ORGANISATIONAL LEARNING AND INNOVATION FACTORS AFFECTING
THE FIRM PERFORMANCE

Organisational Learning and Innovation Factors	Weighted Mean	Interpretation
To what extent do you agree with the role of organizational learning in performance of your company?	2.45	Agree
The organization encourages employees to seek out new knowledge and skills.	2.32	Agree
There are opportunities for ongoing training and development.	2.37	Agree
Knowledge sharing and collaboration are actively promoted.	3.44	Slightly disagree
Mistakes and failures are viewed as learning opportunities.	3.16	Slightly disagree
How often does your organization encourage and support innovation?	3.31	Slightly disagree
In your opinion, to what extent does organizational learning contribute to the new types of innovation within your organization?	3.23	Slightly disagree
Does barriers or challenges hinder the process of organizational learning in your organization?	4.19	Strongly Agree
To what extent does organizational learning contribute to the Product Innovation	3.44	Slightly Agree
To what extent does organizational learning contribute to the Strategic Innovation?	4.53	Strongly Agree

According to the data, most workers support the need of organisational learning and other related factors, although many are worried about its potential stumbling blocks. There is also some debate over how much organisational learning contributes to various forms of innovation, whether or not it should be encouraged, and whether or not knowledge exchange should be emphasised. It is widely held, however, that this type of organisational learning significantly influences strategic innovation. These results point to the possibility of advancements in the fields of information sharing and innovation assistance, as well as the elimination of obstacles to learning.

Table 2 highlights the inquiries posed by interested parties concerning the connection between organisational learning and innovative elements in firm output and performance. Table 2 shows the results from the questions we asked 100 stakeholders.

TABLE 2
ORGANISATIONAL LEARNING AND INNOVATION FACTORS AFFECTING
THE FIRM PERFORMANCE

Organisational Learning and Innovation Factors	Weighted Mean	Interpretation
To what extent do you agree the organization's commitment to fostering a culture of learning?	3.45	Slightly Agree
The organization encourages employees to seek out new knowledge and skills.	4.15	Strongly Agree
Does the organization prioritize and support innovation effort?	3.37	Agree
Knowledge sharing and collaboration are actively promoted.	3.14	Slightly disagree
Mistakes and failures are viewed as learning opportunities.	2.16	Disagree
How often does your organization encourage and support innovation?	4.31	Strongly Agree

This evaluation emphasises the company's strengths, such as its encouragement of employee development and new ideas. However, it also highlights potential places for development, such as the encouragement of information sharing, cooperation, and the study of past mistakes. Taking care of these issues may help foster a more productive culture of learning and innovation inside your organisation.

Table 3 presents the frequency, percentage, mean, variances and standard deviation of each item which measures Knowledge creation (KC), Knowledge Sharing (KS), Knowledge Application (KA), Reflection and Evaluation (RE) among respondents. A respondent is asked to indicate their opinion Which is measured on a 5-point scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). With regards to Effective Organizational commitment, an overall mean of 4.12 was recorded for Employee satisfaction, showing an acceptable level of agreement.

TABLE 3
MEAN, VARIANCES AND STANDARD DEVIATION OF EMPLOYEE SATISFACTION FOR
ORGANISATIONAL LEARNING

	N	Mean	Std Deviation
KC 1	300	4.13	1.675
KS 2	300	4.11	1.665
KA 3	300	4.14	1.678
RE 4	300	4.10	1.698
	300	4.12	1.674

The average rating is between 4.10 and 4.14 on a 5-point scale where a rating of 5 might indicate "agree" or "somewhat agree". Respondents' average opinions on these components of organisational learning are good, coming in at somewhat above the median. The variance quantifies how far individual values are from the average. Larger gaps exist between data points for more variable items. Square root of variance yields standard deviation. To see how far answers varied, we can look at the standard deviation. The responses are tightly concentrated around the mean, as evidenced by the low standard deviations across the board.

TABLE 4
MEAN, VARIANCES AND STANDARD DEVIATION OF STAKEHOLDERS SATISFACTION FOR ORGANISATIONAL LEARNING

	N	Mean	Std Deviation
KC 1	100	4.03	1.235
KS 2	100	3.99	1.416
KA 3	100	4.24	1.708
RE 4	100	4.07	1.635
	100	4.0825	1.642

If we take an average (mean) of these four numbers, we get a value close to 4.0825.

Standard deviations tell us how far the data are from the mean for a certain variable.

Knowledge Application (KA) is the most variable of the four factors, with a standard deviation of 1.708. The second-highest standard deviation (1.416) indicates significant variability in Knowledge Sharing (KS). The standard deviation is lowest (1.235) for Knowledge Creation (KC), suggesting it is also the most consistent. The standard deviation for Reflection and Evaluation (RE) is 1.635, placing it in the middle of the distribution.

For a deeper understanding of the data and to make data-driven decisions or suggestions, these results provide insights into the variability and central patterns of responses for each variable.

TABLE 5
RELIABILITY AND VALIDITY ANALYSIS

Variables	Organizational Learning	Organizational Learning Institutes	Innovation Performance
Mean	5.41	5.23	5.11
Standard Deviation	0.85	0.97	0.76
Maximum	6.00	6.80	6.80
Minimum	1.00	1.13	3.00
Reliability	0.757	0.678	0.824

The highest mean score goes to "Organisational Learning," with a 5.41, showing a good outlook on the topic from within the company. The median rating for innovation performance is 5.11, implying that it is seen favourably but not quite as favourably as organisational learning. Institutes for Organisational Learning are seen favourably (5.23), but not quite as favourably as organisational learning itself. The low standard deviation (0.85) of the responses in Organisational Learning indicates that they are concentrated near the mean.

The low standard deviation (0.76) in Innovation Performance indicates a relatively uniform distribution of results. The standard deviation is slightly larger (0.97), suggesting a little more response variation among Organisational Learning Institutes. It is the internal consistency that is measured by reliability. A higher reliability shows that there is a strong relationship between the items used to measure the variable.

The reliability of Organisational Learning is 0.757, which indicates a high degree of internal consistency. There is a high degree of internal consistency among the components of the Innovation Performance scale, as indicated by its reliability of 0.824. With a dependability of 0.678, Organisational Learning Institutes are the least consistent.

CONCLUSION

According to the findings of the study, in order for the government to encourage innovation among its manufacturing companies, it needs first formulate innovation policies and strategies, and then provide funds for research and development initiatives. Jaramillo, Rosenda N, Liezl Mae G. Macaraeg, Bucao, Thania Pauline, Bueno, Bryan James, Bulatao, Lemuel Rhae, Cabrera, Samantha, Cacho, Luther Carl Caldonga (2022). Managers of manufacturing companies should implement a company-wide learning system, encourage employees to continue their education, and organisational learning to four parameters knowledge creation, knowledge strategies, knowledge application and reflection. To fulfil the requirements of forward-thinking businesses, there should also be a strong focus on the standard of the educational system. Un, C.A. and Asakawa, K. (2015) Overall, the theoretical framework stresses the connection between organisational learning capability and creativity. More specifically, it emphasises the significance of a learning culture, knowledge exchange, and continual learning for the purpose of encouraging innovation within organisations. Dwivedi, Archana (2022).

In order to accomplish these goals, the research that is being conducted will make use of a mix of qualitative and quantitative research approaches. Data will be collected through a variety of methods, including interviews, surveys, and document analysis, which will enable an investigation of the topic from a number of different angles. The case study methodology will involve the identification of representative learning organisations from a variety of industries. Adebowale, B.A., Diyamett, B., Lema, R. and Oyelaran-Oyeyinka, O. (2014), This will result in the provision of helpful insights into the manner in which these organisations have successfully exploited their learning capabilities to generate innovation.

This discovery has important repercussions, not only for future academic research but also for future practical applications. The purpose of this study is to give a complete framework for understanding the intricate relationship between organisational learning and innovation, as well as to shed light on the methods via which learning organisations can develop their inventive capacities. In the end, the findings from this study endeavour may provide useful assistance to organisations that are looking to increase their innovation potential in an environment that is becoming increasingly dynamic and competitive.

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