



THE RELATIONSHIP BETWEEN ORGANIZATIONAL
LEARNING CAPABILITY AND JOB SATISFACTION
ON THE EMPLOYEES OF INTERNATIONAL ISLAMIC
UNIVERSITY MALAYSIA (IIUM)

BY

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ABSTRACT

The main purpose of this study is to explore the relationship between organizational learning capability (OLC) and job satisfaction at International Islamic University Malaysia (IIUM). Furthermore, it attempts to discover the level of organizational learning capability regarding the five dimensions of OLC namely; experimentation, risk taking, interaction with the external environment, dialogue and participative decision making that are currently practiced among employees. Finally, the study tries to discover the significant correlation of these five dimensions with job satisfaction. For these objectives, data were collected from eight faculties namely; Law, Education, Economics and Management Science, Architecture and Environmental Design, Engineering, Information and Communication Technology (ICT), Islamic Revealed Knowledge and Human Science (IRK), and Languages and Management. The respondent was non-academic staff. A questionnaire, using the Five-point Likert Scale, was applied as an instrument to collect data. The survey was addressed to 212 non-academic staff. For testing and analyzing the hypotheses and research questions, Pearson correlation coefficient, descriptive analysis and multiple regressions had been used. The results of study show that there is a positive relationship between organizational learning capabilities with job satisfaction. Furthermore, the results revealed the five dimensions of organizational learning capability (experimentation, risk taking, interaction with the external environment, dialogue and participative decision making) had positive relationship with job satisfaction. In addition, the analysis reveals a high level of organizational learning capability was practiced among non-academic staff. However, the regression analysis illustrates that two of dimensions of OLC namely risk taking and dialogue are not statistically significant on job satisfaction. Finally, the study provides some suggestions on how to improve and identify the factors of organizational learning capability and the effect of these on job satisfaction among staff.

ملخص البحث

هدفت هذه الدراسة إلى التعرف على العلاقة بين القدرة على التعلم التنظيمي مع الرضا الوظيفي في الجامعة الإسلامية العالمية بماليزيا. من ناحية أخرى، حاولت الدراسة الكشف عن العوامل الخمسة التي تؤثر في القدرة على التعلم التنظيمي التي تمارس حاليا بين الموظفين، وعوامل القدرة على التعلم التنظيمي هي: التجريب، والمخاطرة، والتفاعل مع البيئة الخارجية، والحوار، واتخاذ القرار. وأخيرا، سعت الدراسة للكشف عن العلاقة النسبية بين هذه الأبعاد الخمسة من جهة والرضا الوظيفي من جهة أخرى. من أجل تحقيق أهداف الدراسة، تم جمع البيانات من ثمان كليات بالجامعة الإسلامية العالمية وهي: كلية القانون و كلية التربية و كلية الاقتصاد والعلوم الإدارية و كلية الهندسة المعمارية والتصميم البيئي و كلية الهندسة و كلية تكنولوجيا المعلومات والاتصالات و كلية علوم الوحي الإسلامية والعلوم الإنسانية وأخيرا كلية اللغات والإدارة. تكون مجتمع الدراسة من الموظفين غير الأكاديميين في الجامعة، أما العينة فتكونت من 212 موظفا غير أكاديمي و تم تطبيق الاستبيان كأداة لجمع البيانات. لاختبار وتحليل فرضيات وأسئلة الدراسة فقد تم استخدام معامل ارتباط بيرسون، والتحليل الوصفي، والتحليل الانحداري وتظهر نتائج الدراسة بأن هناك علاقة إيجابية بين قدرات التعلم التنظيمي مع الرضا الوظيفي. علاوة على ذلك، فإن نتائج الدراسة كشفت عن علاقة إيجابية بين الأبعاد الخمسة للقدرة على التعلم التنظيمي (التجريب، والمخاطرة، والتفاعل مع البيئة الخارجية، والحوار، واتخاذ القرار) مع الرضا الوظيفي. إضافة إلى ذلك، فإن التحليل يكشف بأن القدرة على التعلم التنظيمي ظهرت بوضوح بين الموظفين غير الأكاديميين. لكن التحليل الانحداري بين أن هناك بعدين من أبعاد القدرة على التعلم التنظيمي ليس لذيها دلالة إحصائية مع الرضا الوظيفي وهما: المخاطرة والحوار. وأخيرا، قدمت الدراسة بعض المقترحات حول كيفية تحديد وتحسين عوامل القدرة على التعلم التنظيمي وتأثيرها على الرضا الوظيفي بين الموظفين.

APPROVAL PAGE

I certify that I have supervised and read this study and that in my opinion it conforms to acceptable standard of scholarly presentation and is fully adequate, in scope and quality, as a thesis for the degree of Master of Education.

.....
Mohd.Burhan Ibrahim
Supervisor

I certify that I have read this study and that in my opinion it conforms to acceptable standard of scholarly presentation and is fully adequate, in scope and quality, as a thesis for the degree of Master of Education.

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Foundations and Educational
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This dissertation was submitted to the Institute of Education and it is acceptable as a fulfilment of the requirement for the degree of Master of Education.

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Rosnani Hashim
Dean, Institute of Education

DECLARATION

I hereby declare that this dissertation is the result of my own investigation, except where otherwise stated. I also declare that it has not previously or concurrently submitted as a whole for any other degree at IIUM or other institutions.

Shokooh Jafari

Signature.....

Date:

INTERNATIONAL ISLAMIC UNIVERSITY MALAYSIA

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**THE RELATIONSHIP BETWEEN ORGANIZATIONAL LEARNING
CAPABILITY AND JOB SATISFACTION AMONG NON-ACADEMIC
STAFF AT INTERNATIONAL ISLAMIC UNIVERSITY MALAYSIA (IIUM)**

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I would like dedicate this work to my family:

My husband, Mohammad Reza Izadi, who supported and helped me during my study and he stand many hard situation because of me and to my lovely daughter, who many times understand my situation and finally to my best friend and brother, Basheer Altarturi, who like a real brother helped me so much in many difficult situation and always remember me the true way of life and encourage me to continue my study.

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CHAPTER ONE

INTRODUCTION

BACKGROUND

Modern life is full of rapidly-changing conditions. Changes happen so fast that we should learn to adapt ourselves continuously and very quickly to these external circumstances. Those organizations which do not adjust are doomed to collapse, whereas those organizations will survive that update themselves to the ever-changing world.

To adjust ourselves with the changing environment, we should learn constantly. Learning is a very rich and diverse topic with too many nuances. In the organizational context of the new time, it is evident that companies need to learn in order to survive. They must obtain competence both internally and externally, individually and organizationally. They must respond quickly and intelligently to competitive and customer changes. Since managers are now wrestling with new and constantly-changing business challenges, the need for this kind of learning is vital for all public and private organizations (Yeung, *et al.*, 1999). In the last decade, the concept of organizational learning has been very attractive in both academic and business circles (Bapuji & Crossan, 2004; Easterby, *et al.*, 2000), and this happened as increasingly in the ongoing and complex economic environment.

Many researchers regard organizational learning as a core capability of an efficient organization and a main element of a strategy for corporate renewal (Spicer & Sadler, 2006). Recognizing the significance of organizational learning,

organizational learning has nowadays commanded much attention. Consequently, it has become outstanding among the ideas, which today influences management studies.

In addition, experienced managers say that the progress of human resources comes from job satisfaction, and that satisfaction is directly connected to productivity, so the result of high satisfaction would be higher productivity and also development of the organization. On the other hand, when job satisfaction is low, not only administrative wrongdoings will increase, but also the organization will be harmed extremely (Amiri, *et al.*, 2010). Mullins (1985) maintains a possible association between job satisfaction and productivity among highly skilled workers and among those workers who are deeply engaged in their work.

Organization always tries to earn more profit. Organization's profit is related to productivity of firms and productivity of any firm is affected by its employees. Organizations adopt many policies for the satisfaction of their employees. Nowadays, learning is one of the policies that organizations not only have to renew employees' knowledge but also to increase the profit of organizations. In fact, the profit and productivity of an organization depends on the development and training of its personnel. Without adequate attention to extracting the personnel capabilities, it is impossible to increase the productivity of an organization.

Organizations which are highly harmonic in the organizational and individual goals supply their individuals with resources and provide them with learning opportunities (Rowden *et al.*, 2000). Organizations which give priority to learning, education, and development have had greater profitability and also increased employees' job satisfaction (Leslie, *et al.*, 1998).

Job satisfaction is influenced by many factors and these factors make people satisfied with their jobs and these would be different from person to person and from day to day (Lo & Ramayah, 2011). One of these factors is organizational learning capability. The term organizational learning capability focuses on factors that are essential and important for organizational learning (Chiva, *et al.*, 2007). Organizational learning capability can be defined as any changes in the model of organization whose occurrence affects the performance and consequently lead to innovation within an organization (Cyert *et al.*, 1963; Dibella, *et al.*, 1996; Hedberg, 1981). Chiva *et al.* (2007) introduced five essential factors of organizational learning: (1) experimentation, (2) risk taking, (3) interaction with the external environment, (4) dialogue, and (5) participative decision making.

This study explores the relationship between organizational learning capabilities and job satisfaction through five facilitating factors of organizational learning capability. These factors are essential for improving the effectiveness and efficiency of organizations and also, as it will discuss later, effect on job satisfaction. These dimensions are: experimentation, risk taking, interaction with the external environment, dialogue and participative decision making. In this study, the relationship between each of these factors and job satisfaction is investigated.

Definition of Terms

Organizational Learning Capability (OLC) is defined as “the organizational and managerial characteristics or factors that facilitate the organizational learning process or allow an organization to learn” (Chiva, *et al.*, 2007). In this study, five factors of organizational learning will be focused: experimentation, risk taking, interaction with

the external environment, dialogue and participative decision making. These are defined below. Moreover, the term of job satisfaction will define.

Experimentation

Experimentation can be defined as the degree to which new ideas and suggestions are attended to and dealt with sympathetically.

Risk Taking

Risk taking is the tolerance of ambiguity, uncertainty, and errors.

Dialogue

Dialogue is defined as a sustained collective inquiry into the processes, assumptions, and certainties that make up everyday experience (Isaacs, 1993).

Participative Decision Making

Participative decision making refers to the level of influence that employees have in the decision-making process (Cotton, *et al.*, 1988).

Interaction with the External Environment

This dimension defines as the scope of relationships with the external environment. The external environment of an organization is defined as factors that have beyond direct control and influence on an organization. It consists of competitors, and the economic, social, monetary and political/legal systems, among others.

Job Satisfaction

Locke (1976) described job satisfaction as "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences".

STATEMENT OF THE PROBLEM

Nowadays, the term of organizational learning has attracted a great deal of attention in both academic and business environments (Bapuji & Crossan, 2004; Easterby, *et al.*, 2000). This happens in the economic environment as need for change; it is not only a constant need but also is a dynamic need. Moreover, organization's strength and existence are derived by rapid and preferable learning, which make them more superior on their rivals (Sharifi & Eslamiyeh, 2009). Therefore the organizational learning in education organizations can help the employees to learn new things, improve their existing knowledge, be ready for change, use new opportunities in workplace, and know better ways of communicating together.

This study is trying to examine the extent of the organizational learning capability through five dimensions (experimentation, risk taking, interaction with the external environment, dialogue, and participative decision making) that are practiced among non-academic staff in International Islamic University Malaysia (IIUM). Furthermore, it is investigating to illustrate the relationship between these five dimensions on job satisfaction of IIUM's non-teaching employees.

RESEARCH FRAMEWORK

The study used a conceptual model based on Chiva *et al.* (2007) model. They identified there are five essential elements for organizational learning capability which they impact on job satisfaction. In addition, they proved that OLC and job satisfaction are strongly linked. So, this research explores and illustrates the relations between organizational learning capability and its dimensions with job satisfaction. Figure 1.1 below describes the study model of Organizational Learning Capability and its five

dimensions in relation to job satisfaction. It can be shown that the independent variable is Organizational Learning Capability whereas job satisfaction is a dependent variable of the research.

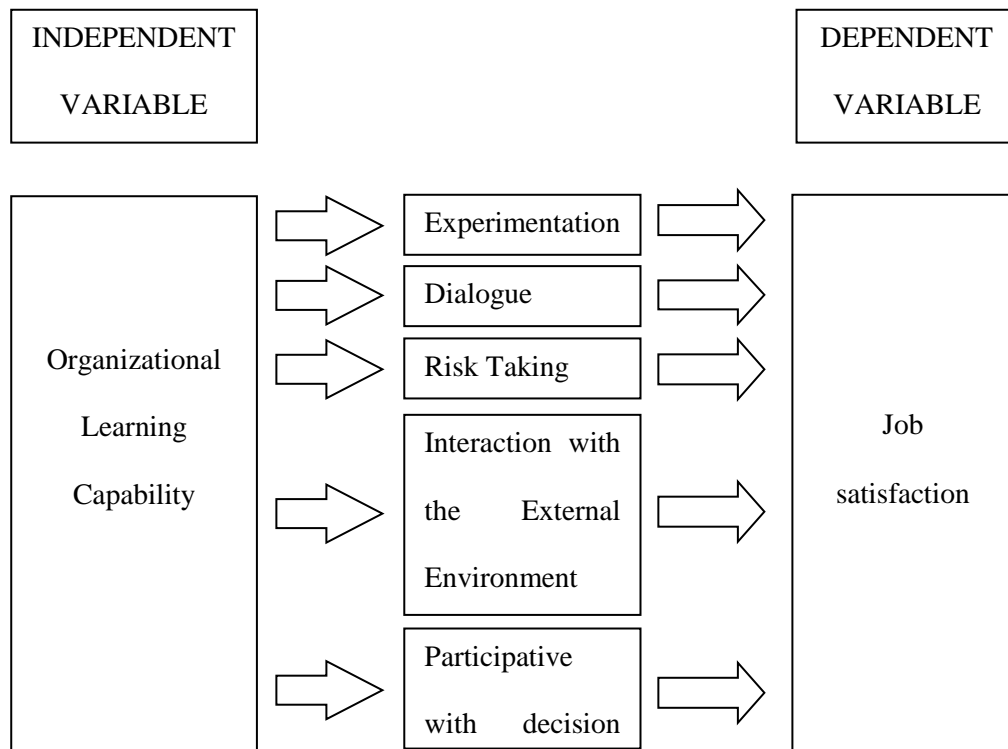


Figure 1.1: Research Framework

OBJECTIVE OF STUDY

Organizational Learning Capability (OLC) is one of the essential factors that flourish innovativeness, potentiality and development in organizations. (Gomez, *et al.*, 2005). In addition, job satisfaction can affect an individual's success in an organization (Goleman, 2001).

Regarding these two essential elements (learning and job satisfaction), the primary goal of this study is to determine the level of organizational learning

capabilities among IIUM's non-teaching staff. In addition, the second aim of this study is to explore the relationship of dimensions of learning capability (experimentation, risk taking, interaction with the external environment, dialogue, and participative decision making) on job satisfaction. So, this study is trying to identify information that will help managers and human resources in IIUM to understand which factors affect OLC and also help them to evaluate elements improving job satisfaction.

RESEARCH QUESTIONS

In order to achieve the aim of the study, the following questions should be addressed:

- i. To what extent are these five dimensions (experimentation, risk taking, interaction with the external environment, dialogue, and participative decision making) currently practiced among IIUM's employee?
- ii. Is there any relationship between each of these dimensions with employee's job satisfaction?
- iii. To what extent are the employees satisfied with their current job?
- iv. Do the five factors (experimentation, risk taking, interaction with the external environment, dialogue, and participative decision making) explain employee's job satisfaction significantly?

HYPOTHESIS

In order to answer the previous addressed research questions, descriptive statistics are used to answer the first question. However, second, third and fourth question required hypothesis testing.

Hypothesis 1

H_o = There is no significant relationship between experimentation and job satisfaction among non-academic staff at IIUM.

H_a = There is a significant relationship between experimentation and job satisfaction among non-academic staff at IIUM.

Hypothesis 2

H_o = There is no significant relationship between risk taking and job satisfaction among non-academic staff at IIUM.

H_a = There is a significant relationship between risk taking and job satisfaction among non-academic staff at IIUM.

Hypothesis 3

H_o = There is no significant relationship between interaction with the external environment and job satisfaction among non-academic staff at IIUM.

H_a = There is a significant relationship between interaction with the external environment and job satisfaction among non-academic staff at IIUM.

Hypothesis 4

H_o = There is no significant relationship between dialogue and job satisfaction among non-academic staff at IIUM.

H_a = There is a significant relationship between dialogue and job satisfaction among non-academic staff at IIUM.

Hypothesis 5

H_o = There is no significant relationship between participative decision making and job satisfaction among non-academic staff at IIUM.

Ha = There is a significant relationship between participative decision making and job satisfaction among non-academic staff at IIUM.

Hypothesis 6

H_o = There is no significant relationship between organizational learning capability and job satisfaction among non-academic staff at IIUM.

Ha = There is a significant relationship between organizational learning capability and job satisfaction among non-academic staff at IIUM.

SIGNIFICANCE OF THE STUDY

For several years, a lot of studies have attempted to identify and determine factors that influence job satisfaction. Kim, *et al.*, (2005) examined the relationship between employee service orientation (customer focus, organizational support, and service under pressure) and employees' job satisfaction, organizational commitment, and employees' intention of leaving. Karatepe, *et al.*, (2006) explored the impact of individual characteristics (self-efficacy, effort, and competitiveness) on employee performance and satisfaction. However, the term of organization learning capability and its dimensions are new and few studies have been done to explore the effect of dimensions of organizational learning capability in organizations, especially in education organization and its relationship on job satisfaction.

Therefore, the significance of this study is to addresses research gap that observed concerning in the literature of organizational learning capability of employees at IIUM and also exploring the effect of these dimension on job satisfaction among non-academic staff. So, the results of this study will be useful and meaningful for management and human resource to pay more attention to

organizational learning and with doing this may also increasing the job satisfaction among employees.

LIMITATION/DELIMITATION

This research has some inevitable limitations. First, since the targeted organization is a public university, the results do not necessarily apply to private universities. Moreover, with Gombak branch in Malaysia as the target location of research, additional work may be needed in order to generalize the findings of this study to other branches (Kuantan Campus and Kuala Lumpur Campuses, namely International Institute of Islamic Thought and Civilization (ISTAC), IIUM Institute of Islamic Banking and Finance (IIBF), and Centre for Foundation Studies (CFS)).

The findings of this study are also limited to the perception of five dimensions of learning capability, namely experimentation, risk taking, interaction with the external environment, dialogue, and participative decision making, and their influence on the job satisfaction of employees. So, in the future study, other dimension of OLC may regard as factors on job satisfaction.

Another limiting factor is the target population within the IIUM, namely the full-time employees and administrative staff. Results may vary if other groups, such as the teaching staff, office boys, janitors, security guards, cleaners, independent contractors, or part-time employees are included in the analysis.

CHAPTER TWO

LITERATURE REVIEW

INTRODUCTION

In this chapter, researches and related literatures on organizational learning capability and job satisfaction will be reviewed. This chapter discusses the following issues; organizational learning capability (OLC), definition and explanation of five dimensions of OLC, differences of organizational learning with learning organization then some literature about job satisfaction, also some discussion about job satisfaction in higher education and finally the review of literature about the relationship between OLC and job satisfaction.

ORGANIZATIONAL LEARNING CAPABILITY

Academics have been studying organizational learning for more than 40 years; Since the 1980s, many books and articles have been published about “organizational learning”. For the first time Senge (1997) in his book mentioned organizational learning theory as “The Fifth Disciplines: The Art and Practice of the Learning Organization”.

In recent years, two areas, academic and business, are much concerned with the concept of organizational learning, mainly due to the increasingly dynamic and complex economic environment (Bapuji & Crossan, 2004; Easterby *et al.*, 2000). This increasing research on organizational learning introduce an approach that learning is not only the capability of individuals, but can also happen to a group level or

organizational level and is facilitated by an organizational climate that prepare the conditions and motivations for learning. (Nemeth, 1997).

Yeung *et al.* (1999) defined OLC as “An organization’s fundamental learning capability represents its capacity to generate and generalize ideas with impact (change) across multiple organizational boundaries (learning), through specific management initiatives and practices (capability)”.

They focus on capability because the word stresses on what managers do in action and because “learning” in an organizational context means that knowledge has been communicated to other people unites and functions beyond individual learning. Sinkula, *et al.*, (1997) maintained that OLC is a cluster of organizational factors and values affecting the tendency of the company to create and apply knowledge.

It should be noted that in spite of the increasing attention to OLC, definition of the concept of organizational learning is difficult. This is because of this fact that this subject has been studied by several disciplines and from various approaches (Easterby-Smith, 1997). Indeed, OLC is multi-disciplinary. Researchers and literatures look at it different viewpoints, namely from psychological view (Weick & F., 1996), form sociological perspective (Nelson & Winter, 1982), and from the view point of organizational theory (Hurbe, 1991; Senge, 1997). Recently, some researchers have considered from a strategic perspective (Gomez & Spedes-Lorente, 2005).

In addition, organizational learning capability is not only multi-disciplinary, but is also multi-learning level, beginning from individual level to the organizational level. Hurbe (1991) mentioned that organizational learning involves forward and backward movement of knowledge along different levels. This kind of movement happens from employees’ level to organizational level and vice versa. So, OLC can be

defined as processes which able expand to the knowledge though different level of organization.

Kim (1993) mentioned organizational learning is complex, that is not only involving knowledge acquisition but also requiring transferring into the memory of the organization, into the values of organizations, and sharing what is learned with others in the organization. Thus, many scholars and authors suggested organizational learning as a complex and multidimensional definition. Slaughter (1998), too, explored that organizational learning is a complex. He also added that it is multi-dimensional construct occurring at different cognitive levels.

Organizational learning also can be regarded as a process influenced by experiences. As Yeung *et al.* (1999) hold: “is the capacity of an organization to gain insight from its own experience, the experience of others, and to modify the way it functions according to such insight”.

OLC is also defined as “the process through which organizations change or modify their mental models, rules, processes or knowledge, keeping or improving their performance” (Chiva *et al.*, 2007).

Since constantly changing in business in all public and private businesses, managers are realizing that learning has become an essential need in organizations. If any organization wants to survive in the market it has to learn. Ability to learning and capacity for change are becoming critical in all parts of business, from the simplest part to the most complexes parts, from product design to technology progress, even to meeting customer expectations.

Yeung *et al.* (1999) believed that learning leads to competitiveness, they said:

The old way will not lead to success in the future. New knowledge, skills, and capabilities are essential to success. Continual improvement