

Individual, Team and Organizational Learning:
Underpinnings of Competitive Advantage

A Thesis
By

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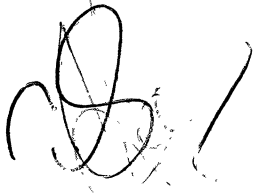
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DEDICATION

This dissertation is dedicated to four extraordinary people in my life: my parents who have supported me in every possible way they can; my dissertation supervisors, Dr. Cecil Pearson and Dr. Lanny Entrekin for their relentless support, encouragement, and advice before, during, and after my dissertation.

DECLARATION

I declare that this thesis is my own account of my research and contains as its main content work which has not previously been submitted for a degree at any tertiary education institution.

A handwritten signature in black ink, appearing to read 'C. Phing Ann Phan', with a large, stylized flourish at the end.

Christopher Phing Ann Phan

ABSTRACT

Many academicians and practitioners have recognized that organizational learning is a viable paradigm for contemporary organizations aspiring to attain competitive advantage in an increasingly turbulent business environment. Despite tremendous interest in endeavoring to understand the nature of learning organizations, there is a dearth of empirical evidence to support the anecdotal claims that learning in organizations results in positive outcomes such as team performance, service quality, job satisfaction, and organizational commitment. Most studies either focus on the antecedents and obstacles to learning or speculate how learning produces positive outcomes. Consequently, the purpose of this research was to examine the interactions of individual, team and organizational learning and to examine how learning at the three levels contributed to competitive advantage. In the framework of this study competitive advantage was conceptualized to be made up of team performance, service quality, job satisfaction, and organizational commitment.

Accordingly, a cross-sectional study was conducted at a 230-bed capacity Australian hospital. The study respondents were drawn from all full time hospital workers – nurses, executives, managers, professions allied to health, administration and clerical workers. As the doctors are contracted, they were not surveyed. All respondents completed a complex questionnaire. In addition to demographic information, the instruments used in the questionnaire included the Individual Learning Scale (Ames and Archer, 1988), Team Learning Survey (Edmondson, 1996), Organizational Learning

Survey (Goh and Richards, 1997), Team Performance Survey (Edmondson, 1996), SERVQUAL (Parasuraman, Zeithaml, and Berry, 1991), job satisfaction section of the Job Diagnostic Survey (Hackman and Oldham, 1975), and Organizational Commitment Questionnaire (Porter, Steers, Mowday, and Boulian, 1976). These instruments were deliberately chosen because of their previously recorded acceptable psychometric properties (i.e. validity and reliability) in similar assessments, and hence, they were considered appropriate for the purpose of this study.

A comprehensive methodology was used to assess the hypotheses. Relevant literature pertaining to the variables examined in this study was reviewed. In light of the literature review, a number of hypotheses and a conceptual model were developed. A quantitative methodology was used to test the proposed hypotheses and qualitative information was sought to provide some explanation of the results. This pluralist approach is gaining recognition in contemporary research because of the complementary nature of qualitative to quantitative methodology (Edmondson, 1996; Shaffer and Harrison, 2001). In total 700 questionnaires were administered for completion during a period of two weeks. A total of 189 questionnaires were returned, generating an overall response rate of 27.0 percent. The lower-than-expected response rate was a concern, as biasness in results could occur (Churchill, 1991; Hunt, 1990), so a non-response bias assessment was conducted by comparing early and late respondents (Rulke, Zaheer, and Anderson, 2000; Wright, 1997). The results indicated no grave problem with non-response bias, and therefore, the data was deemed suitable for analyses.

Several statistical procedures were employed to evaluate the data. For example, factor analyses and reliability analyses were used to assess the psychometric properties of the scales. The results of psychometric assessments indicated that the scales had good validities and reliabilities, and the data was robust. Then, path analysis was used to test the hypotheses, which were developed in Chapter Two. The results of path analysis indicated that individual learning was negatively related to team learning, two service quality facets, and two organizational learning facets. Also, the predictions that team learning would enhance organizational learning and team performance were fully supported. Furthermore, the relationships between organizational learning and three relevant outcomes (job satisfaction, organizational commitment, and service quality) received some support. Finally, it was found that three job satisfaction facets were related to organizational commitment. Implications for these findings are comprehensively discussed in the implications section of Chapter Five.

A feature of this study is the use of informal focus groups to improve the understanding of statistical results. The Quality Coordinator of the hospital organized seven sessions and every employee was invited to attend. Each session lasted fifteen to twenty minutes. The Chief Executive Officer, who attended most the sessions, displayed tremendous interest and support for the study. There were two objectives for the informal discussions. Firstly, this strategy allowed a better interpretation of the results from the mindsets of some employees. During the sessions, attendees were asked to recall instances that support the findings. Secondly, the session allowed staff members to discuss any job-related issues with the Quality Coordinator and Chief Executive

Officer. Indeed, as suggested by contemporary management researchers (Bond, Fu, and Pasa, 2001; de Ruyter, Moorman, and Lemmink, 2001; Teagarden, Von Glinow, Bowen, Frayne, Nason, Huo, Milliman, Arias, Butler, Geringer, Kim, Scullion, Lowe, and Drost, 1995), this informal qualitative approach was complementary to the statistical method.

The study represents an original attempt to empirically examine the individual, team and organizational learning constructs and their outcomes. Discussion of results is preceded by a review of the outcomes of individual learning, which include team learning, organizational learning, and service quality. Next, the outcomes of team learning, such as organizational learning, team performance and service quality, are discussed. Subsequently, the effects of organizational learning on job satisfaction, organizational commitment and service quality are discussed. The discussion is concluded with explanations for the reciprocal relationship between the affective variables of job satisfaction and organizational commitment as well as the effects of the two variables on service quality. Following the discussion of results, the limitations and strengths of the study are presented. Finally, suggestions for future research are provided.

A number of theoretical and practical contributions have resulted from this study. These can be broadly summarized to include four features. The first contribution of this study is an advancement of the currently available knowledge about individual, team and organizational learning by empirically examining the linkages. A second

contribution of the study is an assessment of the appropriateness of the Individual Learning Survey, Team Learning Survey, Organizational Learning Survey, and the SERVQUAL instrument in assessing learning capabilities and service quality in the context of an Australian hospital, with the potential of a wider application across the health care industry. Next, evidence supporting the organizational learning facets that have contributed to employee attitude and behavior, such as job satisfaction and organizational commitment, may help bolster arguments for initiatives to improve the quality of life of health care staff. Finally, identifying the organizational learning facets that have contributed to service quality has the potential to encourage hospital management to incorporate human resource policies into operational plans to improve service quality. Implications of the findings for managers and theory developments are discussed comprehensively in Chapter Five.

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