10 Discussion

The principal aim of this research was to propose a bespoke competency framework of Organisational Learning (OL) and apply it in a specific organisation.

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 whether there was an 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 employee perceptions of Organisational Learning competencies.

4. Investigate the relationship between perceived levels of Organisational Learning competencies and organisational commitment.

The discussion on the outcomes of the research is made in light of the constraints placed upon it. The results obtained from the use of the Organisational Learning Questionnaire (OLQ) are examined and, where appropriate, discussed in conjunction with the information gleaned from the interviews undertaken in Study One. The research was conducted on a global scale with the participation of 558 employees in 24 countries. All grades and departments were represented in the research, as were most geographical regions.
10.1 Organisational Learning Competencies

The first objective of the research was to operationalise the competencies required for Organisational Learning within a large, specific multinational organisation. Study One of this research identified and operationalised Organisational Learning Facilitators (OLF) which the literature suggested were important for OL. The objective of Study One was to operationalise these OLFs so that they could be tailored to British Airways, enabling subsequent research presented in this thesis to be conducted in a bespoke manner. There is evidence presented here to suggest that OLFs are competencies and supports the literature as having a key role in the strategic management of people (Hosley et al., 1994; Iles, 1997; McGill et al., 1992; Slater & Narver, 1995; Ulrich et al., 1993). Boyatzis (1982, p. 23) defines a competency as “a person’s motive, trait, an aspect of one’s self image, social role, or skill which is essential to performing a job”. Jacobs (1989a, p. 33) defines a competency “as an observable skill or ability to complete a managerial task successfully”. The results from identifying and operationalising the OLFs presented in both Studies One and Two fulfil the competency definition suggested by Jacobs (1989a).

Dulewicz (1989) and Sparrow & Bognanno (1993) suggest that a competency is about behaviourally defined characteristics which underpin performance across a range of tasks. In this categorisation, competencies describe how individuals should behave in order for these tasks and business objectives to be achieved. The key to understanding competencies is to recognise that they are underlying personal characteristics or psychological constructs, which are expressed in observable behaviour and action. To be usable and measurable, competencies have to be defined, described and assessed in terms of the behaviours that constitute them. The bespoke OL competencies in this research have been developed to meet the characteristics of the competencies which were discussed and defined in chapter 2, page 31.
The results of Study One support the suggestion in the literature that factors exist for Organisational Learning. Study One also proposed a conceptual competency framework for OL in a specific organisation. These factors were explored further and defined in Study Two, providing a bespoke competency framework for Organisational Learning by means of which to evaluate the OL climate within British Airways.

Theoretically, within an organisation, the competencies could be measured at team and departmental level, to establish which of them should be developed further. However, further research is required to identify which competencies relate to which aspects of organisational performance. Study Two applied the factorial model derived in Study Two at an organisational and departmental level.

The results of both Study One and Study Two presented in this research contribute to the literature by introducing a competency approach for OL and addressing the requirements suggested by Pavitt (1991) and Prahalad & Hamel (1990). Pavitt (1991) proposed firm-specific competence, where development was specific, cumulative and differentiated. Prahalad & Hamel (1990) suggested the concept of core competencies specific to each organisation. The results of this research also address the question posed by Hitt (1996; p. 19): “what distinctive competences are developed in a learning organization?”. This research identified distinctive competencies in a specific, global organisation. However, they did not specify what these competencies would be. The results of the present research offer an initial step in identifying measurable components of an organisation’s OL climate. Cairns (1998) argued that critical OL competencies should be developed and that, in order to facilitate competitive advantage, the list should not be exhaustive. Cairns (1998), however, did not specify where these OL competencies should be specific to an organisation or general. The research presented here postulated that OL competencies are specific and unique in each organisation.
In order to propose specific and bespoke OL competencies, the research presented here followed two methods of clustering the behaviours in the competencies as suggested by Sparrow & Bognanno (1993). First, is content or deductive validity, whereby meaningful groupings were formed, based on the judgements and perceptions of employees. In Study One, a semi-structured interview was used to elicit examples of the competencies. Second, groupings were formed based on factor analysis. In Study Two, principal components factor analysis was applied to develop a bespoke competency framework of Organisational Learning for British Airways. The development of the OL competency framework is discussed in detail in section 10.2 below.

10.2 Organisational Learning Competency Framework (OLCF)

The second objective of this research was to explore whether there was an interrelationship between the OL competencies. The third objective was to assess the OL competency climate profile of a multinational organisation by examining occupational subgroup, departmental and regional differences in employee perceptions of Organisational Learning competencies. This was done in order to follow Beer & Spector’s (1993, p.643) recommendation that a “...learning diagnosis must target the entire organizational system if it is to have any long-term impact on effectiveness”. The development of the Organisational Learning Competency Framework (OLCF) was intended to be used as a tool to add further information with regard to the OL climate departmental and organisational levels in British Airways.

The competencies identified through the factor analysis were defined according to the nature of the items in the questionnaire that related to that factor. They were also defined with reference to statements made by participants in Study One. The responses of participating British Airways employees the Organisational Learning Questionnaire (OLQ) indicate a general consensus as to what the competencies meant to them in their organisation.
The OLCF obtained was a six-factor solution of Organisational Learning competencies. As a reminder, the competencies in the Organisational Learning Competency Framework were defined as follows:

1. Learning Ethos:

Learning involves all individuals within an organisation. Individuals learn from each other. Managers encourage questioning and inquiry and new ideas are tested to add value to the organisation. Learning and development are encouraged by the organisation.

2. Systems Thinking:

All departments within an organisation are viewed by employees as interrelated and as impacting on each other. People are encouraged to work cross-functionally and learn about different departments. Departments work closely together as part of a system and include individuals from different departments. All individuals are involved in forming the organisation’s strategy and are committed to it.

3. Competitive Orientation:

Individuals and teams across the organisation are aware of competitors. Individuals and teams learn from and benchmark against other organisations. Individuals and teams use and act on information about other organisations to get ahead of their competitors.
4. Creative Problem Solving: Creativity helps solve problems quickly to achieve improvements in efficiency and effectiveness through learning, organisational inquiry and communication.

5. Effective Feedback: Seeking, giving and acting on feedback through effective communication is necessary for learning to occur.

6. Empowerment: Devolved responsibility and decision making encourage inquiry, learning and development, engendering trust and openness.

Pearson product-moment correlations showed that all but two correlations were statistically significant. Statistically significant correlations suggested a degree of interdependence amongst the competencies. Two correlations that were not significant were Empowerment with Systems Thinking and Empowerment with Competitive Orientation. The correlations that were not significant would suggest that empowered employees may not affect levels of competitiveness or systems thinking in an organisation.

10.3 OLCF Compared to other OL Models

In light of the constraints placed upon this research, the OLCF in relation to models of Organisational Learning is discussed conceptually, and areas for future research are suggested.

10.3.1 OLCF and the Observe Assess Design Implement-Shared Mental Models Cycle (OADI-SMM Cycle)

The results of Study Two of this research suggested a homogeneous perception of the OL climate in British Airways. On this basis it is suggested that
British Airways' employees had a shared mental model (SMMs) of the OL climate of the Organisation irrespective of job grade or geographical location. Through SMMs, Kim (1993) argued that employees hold a shared view of their organisation. The OADI-SMM Cycle highlights the fact that SMMs are important because "the mental models in individuals' heads are where a vast majority of an organization's knowledge lies...The shared mental models are what make the rest of the organizational memory usable" (Kim, 1993, p. 44).

What is not included in Kim's model, however, is action (behaviour) as an input for, and an outcome of, learning; that is, the actual competencies required to operate the OADI-SMM Cycle effectively.

In the context of OL and the OADI-SMM Cycle, the economic environment, together with competitive advantage and organisational memory, cannot be static (that is, it cannot reside in the 'paper-work of the organisation'). Organisational memory must be active; that is, constantly changing at the organisational level; it must share information, and be changing at the individual level; all as a result of changes in the economic climate. The OADI-SMM Cycle suggests the paths necessary to achieve this. In the context of British Airways, therefore, the competencies required to operate the Cycle may include Learning Ethos. Everyone is encouraged to learn from each other: managers encourage questioning, inquiry, and the testing of new ideas to add value to the organisation. Effective Feedback would further support the OADI Cycle because employees would be required to engage in effective communication, seeking, giving and acting on feedback. Once again the OLCF suggests the behaviours necessary to achieve these paths when applying the OADI-SMM Cycle in British Airways. The SMM component of the model would be supported, provided employees had a homogeneous view of their organisation. In the case of British Airways, this homogeneous view is of the OL climate.
The results of Study Two of this research support Drejer’s (2000) suggestion that in the Learning Organisation it is important that employees should share, not only an understanding of the competencies, but also a level of attainment in them within their organisation. This shared understanding gives rise to shared mental models of the organisation’s strategy, organisational routines and assumptions, together with their underlying values and norms (Argyris & Schön, 1996; Senge, 1990; Ulrich, et al, 1993). The results of Studies One and Two of this research suggest that current perceptions of the OL climate are shared across British Airways. One of the competencies required to achieve SMMs is Systems Thinking. Under the influence of the SMMs, the conceptual and operational knowledge of individuals changes. In terms of Systems Thinking within the British Airways, employees’ perceptions showed that this competency was not a strength and therefore may have affected the level of SMMs across the organisation. The implications of the low rating for Systems Thinking are discussed later in section 10.5.1, page 157. It is also suggested that Learning Ethos and Effective Feedback operate in order to include and develop an organisational view of the world, both in its knowledge and in its assumptions. The results of Study Two suggest that aspects of the OLCF complements the OADI-SMM Cycle when applied in British Airways.

10.3.2 OLCF and the E-Flow Model

An organisation consists of people who work together. Pedler et al (1997) viewed the Learning Organisation as an organic entity, living and changing. The E-Flow model is built up of a series of double-loop flows of energy involving eleven characteristics. The double loops are illustrated in figure 4.3, p. 40. The energy represents information, resources, consciousness and attention. These double loops seek to integrate the eleven characteristics (discussed on pages 46-49) which contribute to the loops of the E-Flow Model.
The individual learning cycle of action, experience, observation, reflection and theorising (Kolb, Rubin & McIntyre, 1971) is the process underlying Characteristics 10 and 11 of the E-Flow Model—A Learning Climate and Self-development Opportunities for All. This individual process was mirrored at a collective level in Characteristic 1—A Learning Approach to Strategy. Pedler et al (1997) suggested that double loop flows illustrate how feedback from Action and Operations is the source of individual and group learning. In addition to definitions provided by Pedler et al (1997) of the relevant Characteristics, application of the OLCF would suggest that Systems Thinking, Learning Ethos and Effective Feedback would have an important role for this part of the E-Flow Model.

The OLCF provided a purely behavioural framework and does not include organisational procedures or routines. It is acknowledged however, that in the case of A Learning Climate and Self-development Opportunities for All there is an overlap in definitions with Learning Ethos and Effective Feedback. However, Systems Thinking and Empowerment are distinct from A Learning Climate, Self-development Opportunities and A Learning Approach to Strategy. Systems Thinking would add a further dimension to the E-Flow Model where all departments in an organisation are viewed by employees as interrelated, working closely together as part of a system and impacting on each other. Systems Thinking also includes the idea of people being encouraged to work cross-functionally, learning about, and including individuals from, different departments.

For Self-development Opportunities for All it is suggested that Empowerment from the OLCF may support further the E-Flow Model. Through Empowerment, devolved responsibility and decision making would encourage inquiry, learning and development, and engender trust and openness. In terms of Empowerment, Dovey (1997) quoted in Appelbaum & Gallagher (2000; p.53) suggested that “...it is through the development of empowered work teams who
manage their daily work practices collaboratively that the Learning Organisation makes possible work as a collective human project...a central concern with the Learning Organisation is the creation of a culture of shared power...”.

*Participative Policy Making* involves debate and dialogue, linking Policy with the Ideas (and values) of all the people in the organisation. Applying the OLCF, Systems Thinking may support further this aspect of the E-Flow Model by encouraging employees to view the organisation as a system and to work cross-functionally, with people from across the organisation involved in forming strategy. *Formative Accounting and Control, Internal Exchange and Enabling Structures* – were about implementing and carrying out Operations (including management plans) in the E-Flow Model, and obtaining feedback from individuals as they implemented these plans (Action). The flow of energy from individual to collective and *vice-versa* ensures that individual Action promotes collective Operations, which in turn ensure that people work together effectively. Effective Feedback and Systems Thinking support Pedler et al’s (1997) definition of *Internal Exchange*. Creative Problem Solving might underlie *Enabling Structures*, where creativity helps solve problems quickly to achieve improvements in efficiency and effectiveness through learning, organisational inquiry and communication.

Connecting Action, Operations, Policy and Ideas are linked (Figure 3.4, p. 47). They are linked by *Informating, Internal Exchange and Reward Flexibility*. The OLCF would support these aspects of the E-Flow Model through a Learning Ethos. A Learning Ethos may add a behavioural dimension to *Informating*, to which Pedler *et al* (1997) did not attach any behavioural or cognitive components. No aspects of the OLCF related directly to *Reward Flexibility*.

Pedler *et al* (1997) suggested that the E-Flow Model and associated Characteristics increase individual motivation and organisational commitment, though they did not provide evidence of this. However, the results of this research
suggested that in terms of organisational commitment, the OLCF was able to predict affective organisational commitment. Specifically Learning Ethos, Systems Thinking, Competitive Orientation and Empowerment were predictors of affective organisational commitment. The results also suggested that Systems Thinking and Empowerment were predictive of continuance organisational commitment. Tentatively therefore, it is suggested that, as the OLCF may support aspects of the E-Flow Model, together they may have a potential impact on organisational commitment.

It is acknowledged however, that further research is required to investigate in more detail the relationship between the E-Flow Model and the OLCF. It is also acknowledged that aspects of the OLCF are similar to, or consistent with, some of the Characteristics of the E-Flow Model. The OL competencies of Systems Thinking and Empowerment, however, were not included in the E-Flow Model and it is suggested that they may strengthen it.

10.3.3 OLCF and the Two-dimensional Model of OL

The Two-dimensional Model of Learning Organisations has been discussed in section 3.2. Of relevance to this research and the OLCF is the description Carré & Pearn (1992) gave of a Learning Organisation. From their description, a Learning Organisation is one that has a strong vision of its future, where all individual and group potential for learning and adapting at every level, is fully utilised in the interests of setting, meeting and reviewing organisational objectives. Environmental and structural blocks to learning have been identified and removed, and strong enhancement and structural support for sustained continuous learning have been put in place at all levels.

Carré & Pearn (1992) stopped short of what is required to sustain continuous learning or indeed the Learning Organisation. However, the definition above does make reference to aspects of the competencies in the OLCF. It is
suggested therefore, that the OLCF might add to the fourth typology (A Learning Organisation) of the Two-dimensional Model of Learning Organisations when applied in British Airways. This would avoid the 'catch-all' and general quality of the current definition, providing a more detailed framework of behaviours necessary to achieve this fourth typology. The OLCF would extend the Learning Organisation as Carré & Pearn (1992) defined it, because the OLCF examines competencies that enable an organisation to operate effectively in its competitive environment. The Two-dimensional Model is useful in that it may suggest an approach and an insight into a continuum upon which the OLCF might operate.

10.3.4 OLCF and the INVEST Model

The INVEST Model as discussed in section 3.4. The results of Study Two suggested that there were close similarities between the OLCF and the INVEST Model. This is a conceptual interpretation because the constraints placed upon this research did not allow for a third study to conduct a validation between the OLCF and the INVEST Model.

Generally the INVEST Model and the OLCF entertain similar constructs for Organisational Learning. However, whereas the INVEST Model is predominantly presented as a management tool with Organisational Learning as management’s responsibility (Pearn et al, 1995), the OLCF was aimed at employees across the organisation, both management and non-management in British Airways.

The OLCF would add Competitive Orientation, to which Pearn et al (1995) make no reference, as a further dimension to the INVEST Model, in order to increase competitive advantage, which cannot be achieved without learning from competitors (Barnes, 1991; Garratt, 1987; Grant, 1991; Iles, 1997; Stata, 1989). However, Systems Thinking is under-emphasised in the INVEST Model.
Systems Thinking should be included because it is a competency that integrates all others so that the organisation can operate as a whole (Senge, 1990).

The OLCF does not have a competency to support the *Transforming Structure* proposed by Pearn *et al* (1995), which refers to those of the organisation’s mechanisms and structures which enable OL. It was not in the scope of this research to identify the structural components of OL, but only to identify the behavioural elements that contribute to it.

To summarise, it is suggested that some of the competencies of the OLCF may complement and support further the INVEST Model when applied in British Airways. It is acknowledged that there are both similarities and differences between the OLCF and the INVEST Model. It is suggested that convergent and divergent validity studies should be undertaken in order to identify the extent to which the INVEST Model and OLCF differ. It is also suggested that a combination of the two might provide a more robust model of OL which, while being slightly more complex, may be more useful.

### 10.4 OLCF in relation to Organisational Learning Theory

The OLCF was also developed in order to address issues raised by Organisational Learning theorists. Pavitt (1991), in the context of technological development, proposed firm-specific competencies. Prahalad & Hamel (1990) described the concept of core competencies in an organisation as the collective learning of the organisation, which involves the harmonisation of streams of technology, the organisation of work, the delivery of value, communication and involvement, and the commitment to working across functional boundaries. The OLCF has sought to address this issue and has presented core (or firm-specific) competencies for Organisational Learning which might add more specific behavioural dimensions in a specific organisation.
The results of a survey such as the Organisational Learning Questionnaire (OLQ), utilised in this research to investigate perceptions of the Organisational Learning climate in British Airways, would enable an organisation to self-assess and identify its own OL competencies that need to be addressed in order to ensure that the organisation can deal with economic challenges.

Whilst it may be appropriate that OL is discussed at the individual level (Senge, 1990; Garvin, 1993) the focus needs to be broader in order to encompass the whole group within which these individuals interact and to take an integrated approach to learning. Senge (1990) and Garvin (1993) suggested that OL is predominantly individual (management) based, but acknowledged the importance of groups and the organisational context in which teams operate. Garvin (1993) discussed problem solving, experimentation of ideas and learning from past experience. The OLCF accounts for these through Creative Problem Solving, Learning Ethos and Effective Feedback. Problem solving occurs at the individual level, but Garvin (1993) also discussed ways to promote shared learning by opening up boundaries and stimulating the exchange of ideas. The OLCF addresses these activities primarily through Systems Thinking and a Learning Ethos. If the idea of extending boundaries is interpreted beyond the organisation's boundaries, then Competitive Orientation can also be applied. Garvin (1993) however, takes the view that managers should seize the initiative and lead OL, rather than involve all individuals across the organisation. The OLCF is a tool that can be applied at the departmental and organisational levels within an organisation, as illustrated by the present research.

The OLCF has sought to resolve some of the issues raised by the descriptive and prescriptive approaches discussed in section 1.7.1 and 1.7.2 respectively. The prescriptive approach successfully addresses behaviour, because it is directed toward business and practitioners which are action-orientated, and so addresses how an organisation should learn (Argyris, 1994; Argyris & Schön, 1978; Garvin, 1993; Lipshitz et al, 1996; Senge, 1990; Tsang,
Both Studies One and Two have presented an action-oriented method of assessing an organisation in terms of OL, because there may be a cause-effect relationship between OL and organisational performance (Weick, 1991). The results of this research have suggested that there is a relationship between the OLCF and organisational commitment. Further research is required to investigate the OLCF's relationship with job satisfaction levels, with the psychological contract and with employee turnover, in order to make inferences of organisational performance and well-being. Indeed, replication of Huselid, Jackson & Schuler (1994), Huselid (1995), Huselid & Becker (1996) and Huselid, Jackson & Schuler (1997) studies using the British Airways OL competencies is highly desirable.

The descriptive approach is concerned with researching how the organisation learns (Tsang, 1997). This research has taken a descriptive approach and has applied the OLCF at a departmental and organisational level, that is, across job grade, department and geographical region. The development and application of the OLCF applied a rigorous methodology, with systematic data collection, similar to that taken by Nevin et al 1994, Nonaka et al 1994, Pearn et al 1995, Pedler et al 1997, and Villinger, 1996. Unfortunately, the descriptive approach does not give any prescriptive interventions. It does however suggest future research.

10.5 Application of the OLCF in a Global Organisation in Transition

The third objective of this research was to assess the OL competency climate profile of a multinational organisation by examining occupational subgroup, departmental and regional differences in employee perceptions of firm-specific Organisational Learning competencies in British Airways.
10.5.1 Organisational Learning in British Airways

Generally, ratings across the five competencies of the OLCF showed a mediocre perception of levels of OL in British Airways. The first exception was Creative Problem Solving, which received the highest rating (mean=4.17), suggesting that employees perceived that creativity throughout the organisation was essential in order for it to be more efficient and effective. The second exception was Systems Thinking, which had a low rating (mean=2.81), suggesting that employees tended not to agree with the proposition that departments within British Airways were interacting in a mutually beneficial way in terms of OL (that is, interrelatedly and with mutual impact). Responses suggested that employees did not feel especially encouraged to work cross-functionally, or to learn about different departments. Furthermore, employees perceived that departments within British Airways were not working closely together as part of a system, nor were teams including individuals from other departments. Comments made by participants in Study One of this research, suggested that the issue of Systems Thinking was important and might benefit from further investigation. Ratings for both management and non-management groups also suggest that for Systems Thinking, only a minority of employees felt involved in forming, and were committed to, the organisation’s strategy.

Systems Thinking is key to OL, and integrates all other competencies in order to operate as a whole (Senge, 1990). Of all the competencies, Systems Thinking received the lowest rating by all employees. It is suggested therefore that, in terms of OL, British Airways was not operating as a united organisation. Despite the comments from employees in Study One of this research that British Airways ought to operate as a single interrelated organisation, departments were operating relatively independently of each other. Employees in British Airways did not view all departments in British Airways “as interrelated and affecting each other” (Senge, 1990; p. 7). Senge (1990) and McGill et al (1992) suggested that Systems Thinking is crucial to the development of other OL competencies and to
an understanding that the organisation worked as a system. Participant comments in Study One of this research pointed out that British Airways did not operate as one system, but that there was an 'ivory tower' mentality. Participants also reported that departments were not linked. The findings also appear to indicate a poor perception of cross-functional working teams, whose presence Gepphart et al (1996) and Nonaka (1991) stated is a sign of the willingness to seek information and of wanting to learn. Ulrich et al (1993) indicated that cross-functional working is important for generating ideas as well as for learning.

Ratings* for Learning Ethos, Competitive Orientation, Effective Feedback and Empowerment were between 3.3 and 3.7. Learning Ethos had a mean rating of 3.34. Employees perceived that learning did not necessarily involve all individuals within the organisation. Individuals felt they seldom learnt from each other, or that learning from each other was not the norm. It is suggested that managers may not be encouraging others to question and inquire, or to test new ideas, in order to add value to the organisation. Learning and development were not necessarily encouraged. These results were supported by the comments of employees interviewed in Study One of this research. The implications of these findings for Learning Ethos are that employees at British Airways may not be learning at a rate commensurate with changes taking place in the competitive environment, where knowledge requires constant updating and revision in order to inform decisions (Miller, 1996).

Garratt (1987) stated that learning is crucial to competitiveness. Stata (1989) argued that the rate at which individuals and organisations learn might be the only sustainable competitive advantage. Towards the end of the 2000-2001 financial year (quarters 3 and 4), as British Airways faced substantial economic challenges with the share price declining sharply and profits falling, the need for learning would have been even more critical according to Garratt (1987) and Stata

* Ratings – the rating scale used for this research was 1 – 5 where a rating of 1 was a strong disagreement with the item statement to 5, which was strongly agree
(1989). Learning Ethos is therefore an area that needs to be improved because, as Dodgson (1993) argued, learning is the highest form of adaptation, increasing the probability of survival in dynamic environments.

Competitive Orientation had a mean rating of 3.47, indicating areas of both strength and weakness. While some individuals across British Airways, the results suggested, do not learn from, and/or benchmark against, other organisations or act on information about other organisations in order to get ahead of their competitors, other individuals clearly do. According to Barnes (1991), Grant (1991) and Iles (1997), the implication is that competitive advantage (through awareness of competitors, benchmarking and acting on information about competitors) is crucial. Garvin (1993) and Slater & Narver (1995) too, suggested that learning about competitors is essential to survival in dynamic and competitive environments. In British Airways, Competitive Orientation was not operating to any high level.

Effective Feedback had a mean rating of 3.47. This suggested that seeking, giving and acting on feedback through effective communication - essential if learning is to occur - were not perceived to be operating at a very high level in British Airways. Gephart et al (1996) suggested that feedback is linked to trust and openness. The implication of this Effective Feedback rating is that British Airways has the potential to increase levels of trust, openness and communication (Argyris, 1994; Iles, 1997). Improving Effective Feedback would also improve learning (Lipshitz et al, 1996) and knowledge sharing, particularly in relation to knowledge of competitors (Nonaka, 1991).

Empowerment had a mean rating of 3.65. This suggested that devolved responsibility and decision making, encouraging inquiry, learning and development, and engendering trust and openness, were not perceived to be operating at a very high level in British Airways. The implication of this result for Empowerment is that either there were not many (or not enough) learning
opportunities, or that there was little consistency across the organisation in the degree of Empowerment. This may have implications for trust and Competitive Orientation (Pearn et al, 1995; Pedler et al, 1997). This in turn may have implications for continuous improvement and development. All of which, according to Argyris (1994), Iles (1997), Gephart et al (1996) and Ulrich et al (1993), may affect competitive advantage.

Employees' perceptions of Learning Ethos (mean=3.34), Competitive Orientation (mean=3.47), Effective Feedback (mean=3.47) and Empowerment (mean=3.65) suggested that while there were some areas of strength, further development was still required for the competencies concerned. The Systems Thinking rating suggested that this competency within British Airways was not perceived as an area of strength and needed further attention. Creative Problem Solving, however, was perceived as a strength in the OL climate.

A composite mean score of all the metavariables was obtained to assess the overall perception of organisational learning climate within British Airways. The mean was 3.49, suggesting that, although there were areas of strength, further development was required towards improving the OL climate. Given the changes that have occurred in British Airways's business worldwide, this was expected. The standard deviation was 0.43, suggesting that there was a high level of consistency of responses across the organisation.

10.5.2 Organisational Learning and Job Grade

Whilst the Discriminant Function Analysis (DFA) was significant, it was not a particularly useful indication of differences between the management and non-management groups in terms of their perceptions of the OL climate. DFA indicated a significant function. However less than 10% of the variance was accounted for. The classification matrix indicated that 91% of managers were misclassified, and 9% of the variance was accounted for by group membership.
This is most clearly illustrated by the classification matrix, in which almost all participants were classified as non-management, regardless of whether they were actually non-management or management (96.6% and 91% respectively). The DFA function accounted for relatively little variance between the two occupational groups in terms of the canonical correlation or Wilks Lambda. Also, the group centroids were reasonably close (-0.5 and + 0.2). Furthermore, the means suggested that the management and non-management groups were very similar in their ratings. Although small standard deviations show that both groups were fairly cohesive, the remaining output did not indicate a clear differentiation between management and non-management grades in terms of perceptions of the learning climate.

On the basis of standardised canonical correlations, group centroids and means, it is suggested that managers tended to report lower levels of continuance organisational commitment and higher levels of affective organisational commitment than non-managers. Managers indicated a more positive perception of the extent to which Learning Ethos was present relative to non-management personnel. However, Learning Ethos was not given a particularly high rating by either group. Managers also indicated a more negative perception of the extent to which Systems Thinking is present, compared with non-management personnel.

In terms of organisational commitment, the results generally suggested that managers appeared to be more likely to stay with the organisation, compared with non-managers, because they want to, not because they have fewer external options. However, the means were still low (2.5) given that a 5-point rating scale was used.

10.5.3 Organisational Learning across Departments

ANOVAs and post-hoc Tukey's Honestly Significant Difference (HSD) were computed to investigate differences between departments. In terms of Learning
Ethos, there was a statistically significant difference between the Commercial (mean=3.5) and Technical & Operations (mean=3.1) departments. The Commercial department includes Sales (UK & Ireland and World Sales), Marketing, Alliances and Strategy. Technical & Operations includes Flight Operations, Engineering, Airport Operations and World Cargo.

The results suggested that individuals in the Commercial departments perceived high levels of learning to be present, and were encouraged to question and to be inquiring more than their colleagues in the Technical & Operations departments. The Commercial departments were about business development, which requires a strong Learning Ethos. This may explain the higher perception of learning. On the other hand, the Technical & Operations departments were perceived to be more operational, as individuals dealt with the day to day delivery of products and services. It is suggested that the Technical & Operations department were predominantly about the 'here and now' of the organisational operation. While acknowledging that Commercial departments were also concerned with the 'here and now', they were predominantly about planning for the future. In order to look to the future in terms of competitive advantage, it is suggested that a greater emphasis on a Learning Ethos is needed in the Commercial departments. The same is true of Technical & Operations departments, but to a lesser extent. No other differences between Commercial and Technical & Operations departments were observed.

The Empowerment rating indicated a statistically significant difference between Commercial (mean=3.9) and Customer Services (mean=3.4). Customer Services includes Cabin Services (Air Cabin Crew), Passenger Services (all front line staff in airport terminals) and Pilots. The culture of Customer Services tended to be hierarchical and structured. Like Technical & Operations, Customer Services involves more ‘day to day’ operations and the delivery of products and services. The Customer Services result suggested that there was little Empowerment in these departments compared with the Commercial departments.
All decisions in Customer Services are primarily taken by supervisory or managerial staff, and devolved decision making may be the exception rather than the norm. However, when dealing face-to-face with customers, Customer Service staff frequently had to make on the spot decisions as part of the role. In Commercial departments, Empowerment, as defined by the OLCF, required employees to be more inquiring to learn and develop, in order to gain competitive advantage.

In conclusion the results suggested that there were differences between certain departments in British Airways, and that different aspects of Organisational Learning may operate differently across departments. Some competencies may be more emphasised in one department than another, depending on the nature and function of the department. However, the large sample may have influenced the results. Given the high level of homogeneity of results, it is suggested that generally the OL competencies which make up the OL climate were viewed in much the same way across occupational subgroups within British Airways, and that the departmental differences observed were incidental. It is suggested that further research investigating differences across occupational subgroups with regard to OL is required.

10.5.4 Organisational Learning across Geographical Regions

No differences were observed across geographical region. It is suggested that Organisational Learning is of concern right across a global organisation because it is imperative that an organisation be able to adapt and learn in its economic environment, particularly an organisation that is exposed to multiple and dynamic business markets. The participating countries do not appear to differ in their perception of the OL climate, despite differences in national culture. These results were not viewed as discouraging; indeed it is suggested that employees had a shared perception of the OL climate in British Airways, lending support to the
Shared Metal Model approach to OL proposed by Kim (1993) and discussed in chapter 4.

Levitt (1983) suggested that the globalisation of an organisation involved social processes that override the constraints of geography and ethnicity. Nahavandi and Malekzadeh, (1988) suggested that an organisation’s employees, no matter where they work, may be acculturated to embrace the values and the beliefs of a global organisation. This acculturation process is a cognitive event that engages cross-cultural interactions to evolve common norms, values and meanings.

The results of Study Two suggested that the global sample that participated in this research showed a pronounced homogeneity in their perceptions. Further research is required however to reach a conclusion on whether OL can be independent of national culture. It is also suggested that future research applying the OLCF to other global organisations be undertaken, in order to verify whether Organisational Learning does take place independently of national culture.

### 10.6 Organisational Learning and its Relationship to Organisational Commitment

Organisational commitment was used to explore any relationships with OL because Allen & Meyer's (1990) antecedents of commitment included some that were similar to OLFs identified in the OL literatures. Allen & Meyer (1990) suggest that their antecedent are predictors of levels of commitment. It follows therefore, that in the context of this research it was hypothesised that some elements may be related to commitment.

Objective Four of this research was to investigate the relationship between perceived levels of Organisational Learning competencies and organisational
commitment. First, organisational commitment in British Airways is discussed, followed by its relationship with Organisational Learning.

10.6.1 Organisational Commitment in British Airways

Affective and continuance organisational commitment was assessed within British Airways. The results suggested that employees’ affective organisational commitment (the emotional attachment to, identification with, and involvement in, the organisation) was greater than continuance organisational commitment, which is based on the costs that employees associate with leaving the organisation. However, due to the current transition (the result of issues raised in chapter 5) the level of affective organisational commitment was low (mean = 2.3). It is suggested therefore that British Airways’s employees do not have a high emotional attachment to British Airways and may not identify with, and be proud of, its brand and values and the fact that it is a household name. Relative to continuance organisational commitment (mean=1.8), however, affective organisational commitment was significantly higher.

Statistically significant differences between managers and non-managers were obtained with regard to both affective and continuance organisational commitment. Discriminant function analyses suggested that managers had slightly stronger perceptions of affective continuance commitment (mean=2.5) than non-managers (mean=2.3). Non-managers had somewhat stronger perceptions of continuance organisational commitment (mean=1.9) than managers (mean=1.5).

The reasons for higher perceived levels of affective commitment amongst managers relative to non-managers were not clear, but may be associated with their remuneration package and a higher level of decision making and involvement in the organisation. Lower perceived levels of continuance organisational commitment may be due to managers having a remuneration
package more consistent with other industries, so that they had a greater perception of the alternative opportunities available to them than non-managers. In terms of career development, there was also a greater emphasis on development available to managers than to non-managers in the organisation, again making managers more likely to find other employment. The availability of development may also contribute to a higher perceived level of affective organisational commitment amongst managers. Managers therefore preferred to stay with the organisation as opposed to leaving it, with the associated cost because they want to.

However, neither type of commitment was high, suggesting that the transition British Airways was experiencing may have affected commitment levels throughout the organisation. The mean rating for affective organisational commitment was 2.3, suggesting that employees disagreed that there was an emotional attachment to, identification with, and involvement in, the organisation. The mean rating for continuance organisational commitment was 1.8, suggesting that they disagreed with the implication that the cost that employees associate with leaving the organisation was high. It is encouraging therefore that employees stay with the organisation out of choice rather than through necessity, or because it would be too costly to leave, particularly in a climate of economic challenges and organisational change.

It is suggested that this unwillingness to leave the organisation was related to imminent retirement (in some cases), with the promise of continued airline benefits and a pension scheme. Affective organisational commitment was also found to be related to length of service, more so than continuance organisational commitment. The longer the service, the greater the emotional attachment to, identification with, and involvement in, British Airways.
10.6.2 Organisational Learning and Commitment in British Airways

Affective organisational commitment was predicted by Learning Ethos (an antecedent also suggested by Allen & Meyer (1990) that may fulfil an employees psychological need to feel comfortable in the organisation and competent in their job), Systems Thinking, Competitive Orientation and Empowerment. Furthermore, System Thinking and Empowerment may be those antecedents that Allen & Meyer would describe as the amount investment employees can make into the organisation. Continuance organisational commitment was predicted by Systems Thinking and Empowerment, which are also related to the amount of investments they can make into company.

The results suggest that in order to have a workforce with high levels of affective and low continuance organisational commitment, two key aspects of Organisational Learning should be present: Systems Thinking and Empowerment. The implications of having a low perception of Systems Thinking (mean = 2.8) is that "...there is neither the incentive nor the means to integrate the learning disciplines [competencies] once they have come into practice..." (Senge, 1990; p. 69). Therefore levels of commitment would be affected. The presence of Systems Thinking and Empowerment in an organisation, encouraging people to work cross-functionally, to be involved in defining the strategy and direction of their organisation, and being given more responsibility, might be the incentive that would persuade employees to stay (Iles, Forster, & Tinline, 1996).

The results for Empowerment obtained by the research in Study Two, suggested that employee perceptions were neither low nor particularly high (mean=3.6). Dovey (1997) quoted in Appelbaum & Gallagher (2000; p.53) suggested that "...it is through the development of empowered work teams who manage their daily work practices collaboratively that the Learning Organisation makes possible work as a collective human project...a central concern with the Learning Organisation is the creation of a culture of shared power...". In this
context, British Airways's employees may have low affective organisational commitment because of low perceptions of Empowerment. The results in Study One suggested that employees value Empowerment and recognise that it enables learning. There is therefore a discrepancy between their perceived value of Empowerment and the level that actually exists. This might contribute to the observed levels of affective organisational commitment.

Affective organisational commitment was also predicted by Learning Ethos. This research suggested that through a Learning Ethos in British Airways, an organisation can nurture an employee’s affective organisational commitment, taking an interest in the employee’s development and equipping the employee to perform well in his or her job. It is clearly desirable therefore, British Airways should encourage questioning, inquiry and the testing of new ideas to add value to the organisation.

Competitive Orientation was found to be a predictor of affective organisational commitment. It is suggested that Competitive Orientation spurs employees to develop a higher level of affective commitment in British Airways, taking a greater interest in the performance of their organisation and ensuring that their actions are of benefit to it. Competitive Orientation would merit further attention in British Airways Pl, by encouraging employees across departments to have a heightened awareness of competitors. This would have implications for continuous improvement and development, which in turn may lead to greater competitive advantage (Argyris, 1994; Iles, 1997; Gephart et al, 1996; Ulrich et al, 1993).

In Study One, some employees mentioned the importance of Systems Thinking, but did not state that its absence would negatively affect their organisational membership. Study Two of this research, however indicated that Systems Thinking was a contributing factor in employee levels of affective organisational commitment in British Airways. Employees "that are given
responsibility and allowed to make decisions and therefore have shared power” (Dovey, (1997) quoted in Appelbaum & Gallagher, 2000, p. 53) might well come to value an environment which offers them Empowerment, and hence wish to stay.

10.7 OLCF, Organisational Commitment and Competitive Advantage

This research considered an indirect relationship between the perceived level of OL and organisational performance, using organisational commitment as a mediating factor. There are no known studies directly linking OL to organisational performance for competitive advantage. As suggested in chapter 5, OL was investigated in relation to organisational commitment so as to investigate indirectly a possible link with organisational performance.

Study Two explored organisational commitment as a mediating factor in the OL climate of British Airways, following the suggestion of Suliman & Iles (2000) that affective and continuance organisational commitment are related to job performance, and that organisational commitment was a mediating factor between organisational climate and performance.

The results of Study Two suggested that OL is related to, and indeed predicted, organisational commitment. It is suggested by Suliman & Iles (2000) that employees may need to develop their performance in order 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. As indicated by the results of Studies One and Two of this research, Empowerment, Systems Thinking, Learning Ethos and Competitive Orientation are needed in order to achieve this. In any organisation, employees must work to guarantee continuity of their membership. However, it is
suggested that organisations too must retain continuity of their employees’ membership (Suliman & Iles, 2000). Thus, organisations can increase employees’ commitment, and subsequently their performance, by increasing the kind of intrinsic and extrinsic rewards (and fringe benefits) that attract their attention and induce them to evaluate further the cost of terminating membership. In addition to these fringe benefits and rewards discussed by Suliman & Iles (2000), the results of Studies One and Two suggested that there were key OL competencies that also contribute to increasing commitment.

In terms of the Organisational Learning climate in British Airways, it is suggested that it should ensure high levels of affective organisational commitment. This would be achieved through Learning Ethos and Competitive Orientation, in addition to Systems Thinking and Empowerment.

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 to decisions of firms in terms of reducing costs associated with losing employees”. In British Airways however, employees remain with the company out of choice. Motivation to stay could be further improved by enhancing the OL competencies.

Suliman and Iles (2000, p.8) suggested that “continuance organisational commitment is a positive organizational phenomenon, and that organizations should encourage it rather than discouraging its development in the workplace”. They continue “…the continuance committed employee is more likely to leave the organization at any time he/she feels that the cost-profit relationship has reached the equilibrium point. In other words, the continuance committed employee may leave his/her employer when the expected benefits from leaving become higher, or at least equal to, the cost of terminating the organizational
membership..." (Suliman and Iles, 2000; p.79). The research undertaken in this thesis suggested that high performance in OL competencies might contribute to increasing continuance organisational commitment. As there is a known relationship between organisational commitment and organisational performance, it is hypothesised that employees will perform to higher levels. Suliman and Iles (2000, p. 79) also suggested that "...by giving more attention and recognition to the continuanceably committed employee, we can improve his/her morale and dedication to the level that binds him/her to be emotionally attached to the organization". Further research like Huselid, Jackson & Schuler (1994), Huselid (1995), Huselid & Becker (1996) and Huselid, Jackson & Schuler (1997) studies should be conducted using the British Airways OL competencies to determine whether there is indeed a relationship between OL, organisational commitment and organisational performance.

Suliman and Iles (2000) suggested that an employee who is affectively attached to his or her organisation, values his or her investments in it and feels a moral obligation to maintain membership, will subsequently show higher performance than one who is less affectively or continuanceably committed. The results of Study Two of this research suggested that in British Airways, affective organisational commitment was low. Inferences regarding performance cannot be made, but in the light of Suliman & Iles (2000) suggestion, performance may well be low. It would therefore be prudent for British Airways to take the precaution of improving its OL climate.

Organisations have much to gain from increasing their employees' investment in the company and strengthening their obligation to fulfil their goals. If an British Airways were to implement and improve the OL competencies, this research suggests, that affective organisational commitment might improve and continuance organisational commitment reinforced.
Given this, and Suliman & Iles' (2000) suggestion that commitment has a mediating effect on performance, the OLCF has been shown in Study Two to be related to organisational commitment and might therefore indirectly affect organisational performance. Further research, however, is required to evaluate the OLCF and organisational performance, so that a clear picture can be gained of the nature, antecedents, consequences and correlates of the OL climate which operates in an organisation.