



The extent to which a Learning Organisation Culture influences
Employee Engagement in two service based organisations in the
property sector of South Africa.

Barrie Knox-Davies

29621730

A research project submitted to the Gordon Institute of Business
Science, University of Pretoria, in partial fulfilment of the
requirements for the degree of Masters of Business Administration

10 November 2010

Abstract

Increasingly the competitiveness of organisations will depend on the level of service and quality of experience offered by the employees of the organisation. In short, it is the employees within an organisation that define how successful the organisation can be to the market. The opportunity to outperform competitors lies in the ability to innovate quicker, respond faster and better understand the needs of the consumer, in so doing, becoming the organisation that creates the next trend rather than follow it.

The key to achieving outstanding performance, driving both bottom-line revenue and sustained growth in the long term is in harnessing the collective knowledge latent within the organisation and freely available just beyond the organisation in the external context. This can only be done through developing a strong Learning Organisational Culture. The impact this has on the organisation is in improving employee engagement providing the catalyst in which employees perform at an optimum, minimising the unproductive cycles of the organisation resulting from employee turnover, lost intellectual capital and general employee apathy. The study provides evidence that Learning Organisation Culture is positively correlated with Employee Engagement.

Keywords

Learning Organisation; Employee Engagement; Organisational Culture;



Declaration

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. This project has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

Barrie Knox-Davies

10 November 2010

ACKNOWLEDGEMENTS

My sincere appreciation goes to the following people:

- My wife, Esmarè and two children, Asher and Miki Mae for enduring the absence of a husband and Dad, affording me the time to complete this aspect of the degree, you have shown me much grace in this process.
- My supervisor, Kevin Lubbe, for his assistance in keeping me focussed and giving me the best possible advice to complete this research project.
- Adam Martin, the statistician who helped me interpret the data, giving me valuable perspective throughout the latter aspects of this project.
- To my work colleagues, and especially Justinus Adriaanse for being supportive and in making this journey a reality; Justinus, you have been a true inspiration in my life and have had a profound impact on how my life has changed over the past two years.
- And finally to my extended family, Dad and Mum and sister who have supported me throughout the MBA experience – thank you.

TABLE OF CONTENTS

ABSTRACT.....	i
DECLARATION.....	ii
ACKNOWLEDGEMENTS.....	iii
Declaration	ii
1. CHAPTER 1	1
1.1. INTRODUCTION TO RESEARCH PROBLEM	1
1.2. Research Objectives.....	4
2. CHAPTER 2	6
2.1. LITERATURE REVIEW	6
2.1.1. Introduction.....	6
2.1.2. Learning Organisation Culture	7
2.1.3. What is a Learning Organisation?	7
2.1.4. Creating the environment that fosters a culture of learning.	9
2.1.5. Building block 1: A supportive learning environment.....	10
2.1.6. Building Block 2: Concrete Learning processes and practices.....	11
2.1.7. Building block 3: Leadership that reinforces learning.	11
2.1.8. Employee Engagement	12
2.1.9. Three Dimensions of Employee Engagement	14
2.1.10. Other factors influencing Employee Engagement.	16
3. CHAPTER 3	19
3.1. RESEARCH HYPOTHESES	19
3.1.1. Introduction.....	19
3.1.2. Objective 1	19
3.1.3. Objective 2	20
3.1.4. Objective 3	20
3.1.5. Objective 4	21
3.1.6. Objective 5	21
4. CHAPTER 4	22
4.1. RESEARCH METHODOLOGY.....	22
4.1.1. Research Design	22
4.1.2. Population and Sample	22
4.1.3. Sampling method and size	23

4.1.4.	Data Gathering and Analysis.....	23
4.1.5.	Justification of selected method.....	24
4.1.6.	Research Instruments.....	25
4.1.7.	Limitations and Assumptions	27
5.	RESULTS.....	30
5.1.	Introduction	30
5.2.	Reliability Analysis.....	31
5.2.1.	Learning Organisation Culture survey Reliability analysis.....	31
5.2.2.	Employee Engagement Survey Reliability Analysis	33
5.2.3.	Learning Organisational Culture.....	34
5.2.4.	Employee Engagement	37
5.2.5.	The extent of the Relationship between Learning Organisation Culture and Employee Engagement.	38
5.2.6.	Business Unit comparison for Learning Organisation Culture and Employee Engagement.....	40
6.	CHAPTER 6	45
6.1.	Discussion of Results.....	45
6.1.1.	Introduction.....	45
6.1.2.	Introduction to the context of each Organisation.....	45
6.1.3.	Learning Organisation Culture	47
6.1.4.	Employee Engagement	54
6.1.5.	Differences between Business Units	58
7.	CONCLUSION	59
7.1.	Introduction	59
7.2.	Main findings of the study	59
7.3.	Recommendations for Future Research.....	61
8.	REFERENCES.....	i
9.	APPENDICIES	i
9.1.	APPENDIX 1: DEMOGRAPHIC DATA FOR BOTH ORGANISATIONS.	i
9.2.	APPENDIX 2: CONSENT AND QUESTIONNAIRES	ii
9.3.	APPENDIX 3: CONSISTENCY MATRIX	viii

1. CHAPTER 1

1.1. INTRODUCTION TO RESEARCH PROBLEM

According to Weeks (2010) over 70% of the countries listed in the World Economic Forum competitiveness report (2009) derive their gross domestic product (GDP) from the services sector. The emergence of the services industry is having a significant effect on the way in which Organisations are structured as the manufacturing cultural paradigm is not congruent with the new way of doing business. Coupled with this move towards a “services dominant global and national economy, (Weeks, 2010, p.46) is the emergence of the “knowledge worker” which also requires a renewed approach to being managed. Set in the context of continuous rapid change as the global economy expands the current work environment is potentially a very disruptive place. This disruptive change, can either be harnessed to the organisations advantage, or be a source of constant turmoil. It can either have a stimulating effect on employees or be the source of constant employee turnover, absenteeism or just under performance. However, all organisations must be adaptive in this rapidly changing environment should they wish to continue to do business (Fard, Rostamy, & Taghiloo, 2009). Huhtala and Parzefall,(2007) say that in order to remain competitive in a global market requires organisations to be continuously developing innovative and high quality products and services, in the process renewing their manner in which they operate. Knowledge becomes the currency for competing successfully (Egan, Yang, & Bartlett, 2004). As the number of knowledge based workers continues to increase, the success of organisations will largely depend on their ability to create, innovate, invent and discover (Martins & Terblanche, 2003). “More than ever before, managers would agree that employees make a critical difference when it comes

to innovation, organisational performance, competitiveness, and this ultimately business success Bakker and Schaufeli (2008, p.147).

One of the ways in which organisations can leverage the knowledge available to them, is to use that which is generated internally by its employees. In order to do this, employees within the organisation need to be willing to share their knowledge. According to (Macey & Schneider, 2008) p.26 “having engaged employees may be a key to competitive advantage” This being due to the fact that facilitated knowledge share may result in innovation. Does an organisational culture identified as having high levels of Learning Culture have an influence on the extent to which employees are engaged, in so doing facilitate knowledge sharing and enhance the overall competitiveness of the organisation? Hurley & Hult, (1998, p.42) conclude that organisations that have a culture emphasising innovation will help in the development of a competitive advantage. However, a mental model still exists where employees are focussed on retaining knowledge for themselves at the expense of the organisation giving them, the employee a personal competitive advantage (Milne, 2007). Recognising the need for knowledge to be shared within an organisation, rather than withheld, the knowledge worker needs to feel secure enough within the organisation to want to share his/her knowledge without the threat of losing his/her job having lost his/ her intellectual capital in the process. “The challenge for managers therefore is to develop an organisational culture in which these feelings can be overcome and the sharing of knowledge and learning becomes the norm” (Milne, 2007, p. 29). How is this achieved? To what extent and in what manner should an organisation reward employees for making a contribution to knowledge share? Milne (2007) states that one of the key

challenges of managers is in the understanding what it is that motivates employees. However, with the growing emphasis on the knowledge economy, increasingly it is the individual who is required to make creative use of knowledge on a continuous basis Blom, Melin & Pyoria, 2001, as cited in Huhtala & Parzefall, (2007). There is a danger in establishing a rewards scheme to incentivise employee innovation in that this has the potential to create the expectation that rewards for a specific behaviour – that of knowledge sharing for innovation purposes, is the normal way of doing business Milne, (2007). How then is it possible to engage employees for the sake of sharing the knowledge, without necessarily having to create extrinsic incentives for this knowledge share? Is it possible that the concept of employee engagement can achieve this outcome for the organisation without having to create extrinsic reward schemes to do so? If so, can a Learning Organisational Culture assist in making this happen?

Creating an understanding of the relationship between employee well-being, represented in this study by employee engagement and innovativeness as expressed by learning organisation culture, a greater understanding can be had as to what is required to support innovative employees (Huhtala & Parzefall, 2007) With increasing pressure to perform, the concepts of being a learning organisation and having engaged employees are key to the sustainability of any organisation. With the recent global economic slowdown, the pressure to remain in business and/or bounce back is critical and it is those with the “smartest” and most engaged employees that will have the competitive advantage. No longer can innovation be considered the responsibility of a select

few, but it has become the responsibility of all employees as part of their everyday work (Huhtala & Parzefall, 2007).

It is therefore the intention that from the study inferences can be made as to whether organisations with a higher learning orientated culture create the environment fostering a greater sense of employee engagement; in short being better able to drive improved performance from its employees. Furthermore, can the learning organisation culture have a greater impact on certain business units within an organisation, with the result being that these employees are more engaged in the work they perform, resulting in higher performance outputs which may be critical considering these are the departments that are responsible for innovative change.

1.2. Research Objectives

The fundamental question this research aims to answer is: *Can the extent to which an organisation displays a strong learning orientation increase the level of employee engagement?*

The main objectives of the research are:

Objective 1: To what extent does a Learning Orientation differ between organisations operating within the same industry sector?

Objective 2: To what extent does Employee Engagement differ between two organisations operating within the same industry sector?

Objective 3: To determine whether a higher learning organisational culture correlates with higher levels of employee engagement.

Objective 4: To determine whether different business units within and between organisations display differences with respect to a Learning orientation.

Objective 5: To determine whether different business units within and between organisations display differences with respect to Employee Engagement.

2. CHAPTER 2

2.1. LITERATURE REVIEW

2.1.1. Introduction

The body of research focussed on the psychology of the employee and the employee / employer relationship has recently been criticised for emphasising the negative aspects of employee wellbeing (that of mental illness) rather than a focus on the positive aspects (mental wellness) associated with the work environment (A. B. Bakker, Schaufeli, Leiter, & Taris, 2008). However, in recent years there has been a shift towards a positive focus on understanding worker well-being with specific reference to employee engagement (Saks, 2006) with more than ever before an acknowledgement being made as to the critical role employee's play in competing successfully in 21st century business (A. B. Bakker & Schaufeli, 2008). Furthermore, the manner in which organisations attract and retain creative and dedicated employees ensures not only the on-going innovative success of an organisation but the focus on talent within the organisation ensures the best performance of employees and can even be considered a source of competitive advantage (Aggarwal, Datta, & Bhargava, 2007; Macey & Schneider, 2008).

With the engagement of employees considered as "one of the top five most important challenges for management" cited by Wah, 1999 in (Attridge, 2009) it is clear that this construct will continue to be a source of improved financial performance in an organisation. More than ever before, organisations need to retain the employee talent that gives them a competitive edge, in the process gaining as much sharing of knowledge as possible within the organisation by

fostering a culture that facilitates this taking place. With the morale of employees affected by restructuring as a result of the global economic slowdown, increasingly organisations are pressed to focus on keeping employees engaged –enabling them to give of their best in uncertain economic circumstances.

2.1.2. Learning Organisation Culture

(Huhtala & Parzefall, 2007) have mentioned that in a globally competitive market, organisations are required to constantly develop high-quality products and services and innovate by harvesting creative ideas from individual employees. Yet, it is the working environment in which individuals or groups operate that fosters the original thought leading to the next great development within the organisation. What is it about an organisation that enables the right environment to exist to make this process of creativity happen? The promotion and support of employees to facilitate innovation is an important quest worth pursuing both for academics and managers alike (Huhtala & Parzefall, 2007). Using an assessment tool such as the one developed by (Garvin, Edmondson, & Gino, 2008) it is possible to assess the extent to which an organisation needs to foster: knowledge sharing, idea development, learn from their mistakes and exhibit holistic thinking (p. 109).

2.1.3. What is a Learning Organisation?

The concept of a Learning organisation was brought to the fore by Peter Senge (1990, p.1) in his book *The Fifth Discipline*, where he defines a learning organisation as “...a place where people continually expand their capacity to

create results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free and where people are continually learning how to learn”.

Senge (Senge, 1990) expands upon this definition by stating that the core of a learning organisation’s work is founded on five learning disciplines which include the following:

- Personal Mastery – where individuals learning to expand their personal capacity to achieve the results they most desire. This sustains an environment where fellow employees are encouraged to develop themselves to achieve the goals that they desire.
- Mental Models – this involves each individual reflecting upon and continually redefining and refining his or her internal pictures of the world and how these shape personal actions and decisions.
- Shared Vision – where individuals build a sense of commitment within a particular workgroup; sharing images and common desired future states and the guiding principles which support the attainment of this future state.
- Team Learning – this involves appropriate thinking skills that empower groups of people to develop intelligence and the achievement of purposes which are greater than the sum of the individual members’ talents.
- Systems Thinking – involves a way of thinking about, and an ability to articulate an understanding of how forces and interrelationships shape the behaviour of systems. This discipline assists all parties involved to

see how to change systems to be more effective and how better to act to suit the processes expressed as part of the “bigger picture”.

Clearly many organisations today find themselves in a rapidly changing competitive environment. In order to remain competitive, each organisation is required to deal with change more effectively and rapidly than its competitors (Millett, 1998, cited in du Plessis, du Plessis, & Millett, (1999). The implication here is that those organisations that foster an environment that “breeds” a culture of continuous innovation; learning continuously to satisfy customer needs, are more likely to remain profitable in comparison to competitors who aren’t. This is the reason why Huhtala & Parzefall, (2007) go as far as to say that “innovative employees are the chief currency for contemporary organisations” (p. 299). Additionally, Garvin et al.,(2008) extend the benefits of what it means to be considered a learning organisation beyond just being skilled at creating, acquiring and the transference of knowledge. Rather, organisations that display high levels of Learning Organisational Culture are able to develop tolerance, foster open discussion and be better able to think in a holistic and systematic way. With these cultural attributes distributed across the organisation, it is far better equipped than its competitors who don’t display these attributes to change as the marketplace dictates. The question that therefore requires being answered is “how to promote and support employees’ innovativeness” (Huhtala & Parzefall, 2007, p. 299).

2.1.4. Creating the environment that fosters a culture of learning.

As highlighted in Garvin et al.,(2008), the three broad factors or building blocks that are critical to an organisation being able to adapt and learn to

accommodate a changing internal and external environment are: A supportive learning environment; concrete learning processes and practices and leadership that models and reinforces the appropriate behaviour. Each of these areas being defined in greater detail below:

2.1.5. Building block 1: A supportive learning environment.

There are 4 characteristics as defined by Garvin et al., (2008) that reflect the extent to which an organisation manifests a supportive environment to facilitate a learning culture.

- **Psychological Safety.** The extent to which employees feel reassured to ask questions, disagree with peers or authority figures, own up to mistakes or present a conflicting point of view. The extent to which employees feel comfortable at being able to express themselves about the work at hand, without experiencing a sense of inferiority in doing so.
- **Appreciation of Differences.** When there is an acknowledgement of a different point of view – and that this competing perspective is able to generate a different source of energy from which the company can leverage creativity and minimise stagnation.
- **Openness to new ideas.** That learning is not about correcting the faults of others, or just problem solving but rather with experimentation and risk taking, employees are encouraged to test and explore the unknown.
- **Time for Reflection.** That a supportive learning environment allows for times of reflection, and a review of the organisations processes and progress.

2.1.6. Building Block 2: Concrete Learning processes and practices.

The process by which an organisation develops this culture of learning is the result of a structured process – which involves the “generation, collection, interpretation, and dissemination of information. Garvin et al.,(2008 p.111). This includes experimentation of new products and services, the monitoring of competitor and customer behaviour and analysis of trends in the market. Furthermore, there is a disciplined focus on the identification and solving of problems and the educating and training of all employees (Garvin et al., 2008) believe that to maximise the impact knowledge sharing needs to take place in a structured way. The sharing of information both vertically and laterally within an organisation, at an individual, group and organisational level is critical. This knowledge sharing can be either internally or externally directed so as to ensure the organisation gains a disparate perspective on which to better be able to align its focus and deploy its resources to be able to meet the challenges it faces.

2.1.7. Building block 3: Leadership that reinforces learning.

As referenced by Garvin et al., (2008), the behaviour of the organisations leadership will have a significant impact on employees, with the ability of management to prompt open discussion on issues and encourage interaction between employees. It is when the leadership demonstrate their willingness to entertain alternative viewpoints that employees feel their opinion and perspective is valued, leading to a greater willingness to share and be involved in decision making processes. The time spent, facilitated by management that

leads to the identification of problems, knowledge sharing and post-implementation reflection are opportunities for employees' opinions to be valued (Garvin et al., 2008).

The specific learning orientation survey developed by Garvin et al., (2008) deals with the extent to which an organisation actively engages employees across the organisation to create, acquire and transfer knowledge. Within this environment of learning, employees have been found to outperform other salespeople who just have a performance goal orientation. (Sujan, Weitz, & Kumar, 1994).

2.1.8. Employee Engagement

(Attridge, 2009) says that fewer than one in every 5 employees are actively engaged in their work. The concept of Employee Engagement has been of interest to both organisations and employees with a subject called *organisational commitment* being the term used (Richman, Civian, Shannon, Jeffrey Hill, & Brennan, 2008). With the emergence of the field of study known as Positive Organisational Behaviour. Bakker & Schaufeli, (2008) emphasize how the study of employee behaviour has shifted from a focus on the negative aspects to formulating a "distinct wellness model" with a primary concern with "individual psychological states and human strengths that influence employee performance" (pg.149)

Employee Engagement or work engagement has been defined as being made up of a physical or behavioural component, an emotional component and a cognitive component as cited by May, Gilson & Harter (2004) in (Attridge, 2009). Schaufeli, Salanova et al., (2002, p. 74) define engagement to be "a

positive, fulfilling, work-related state of mind that is characterised by vigour, dedication and absorption.” Rather than refer to a transient state, engagement is indicative of a “more persistent and pervasive affective-cognitive state that is not focussed on any particular object, event, individual or behaviour” Schaufeli, Salanova, González-romá, & Bakker, (2002, p. 74).

Bakker et al.,(2008) define the three facets of engagement Vigour indicates a high level of energy and mental resilience while working and a willingness to invest effort in the work with persistence even when facing challenges. Dedication is characterised by a sense of significance, enthusiasm, inspiration, pride, and challenge. Absorption is defined as being fully concentrated and deeply engrossed in the work that is being done, the result being that time passes quickly and the employee has difficulty in detaching themselves from his/her work.

In summary, the common features of the definition of Employee Engagement is that it is a desirable condition, combining constructs reflecting the state of involvement, commitment, passion, enthusiasm, focused effort, and energy, having both attitudinal and behavioural components (Macey & Schneider, 2008). Macey & Schneider,(2008) put it succinctly as being about “passion and commitment – the willingness to invest oneself and expend one’s discretionary effort to help the employer succeed”. p.7). Macey & Schneider, (2008) have formulated a model indicated as Graphic 1 below which gives an overview of the different forms of engagement that are at play in the workplace and in the process highlighting the factors that play a role in influencing engagement.(Macey & Schneider, 2008)

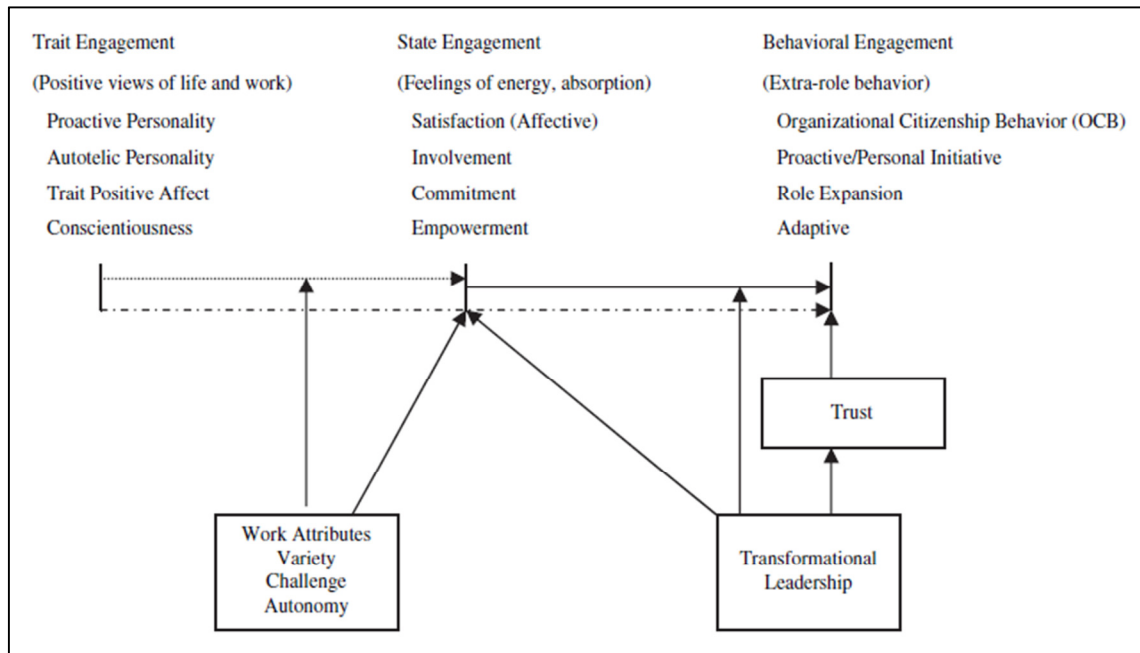


Figure 1: Framework as defined by Macey & Schneider (2008) for understanding the elements encompassing employee engagement.

2.1.9. Three Dimensions of Employee Engagement

- State Engagement

This dimension of employee engagement concerns the emotional state of the employee – that of feelings of persistence, vigour, energy, dedication, absorption, enthusiasm, alertness and pride. It includes the extent of self-identity people have with the work they do, that work is a part of how they define themselves in which the employee is personally invested. It is characterised by feelings of passion, energy, enthusiasm and activation. Engagement is more than just loyalty or satisfaction with the employment conditions, rather it is about “passion and commitment – the willingness to invest oneself and expend one’s discretionary effort to help the employer succeed.” (Macey & Schneider, 2008) p.7

- Behavioural Engagement

This follows from state engagement and is broadly defined as “Adaptive behaviour”. The emphasis here is that the behaviour of employees are not prescribed – not content with preserving the status quo, but are rather focussed on creating change by doing things differently and beyond the expected.

- Trait Engagement

This facet of engagement is defined as the sum of personality characteristics, such as conscientiousness, a pro-active personality and autotelic personality. Positive Affectivity as defined by Thoresen et al. (2003) in (Macey & Schneider, 2008) refers to the mood state – where the tendency is to experience events, circumstances and situations in a more positive manner. The experience of work is positive, active, flavoured by energy and a drive to adapt behaviour to go beyond what is necessary and embark on change where relevant to improve the success of the organisation.

Macey & Schneider,(2008) take the viewpoint that organisations need to create a sense of trust that enables employees to be able to benefit from the “psychological and behavioural relational contract in which they enter with the organisation”(p. 25). Furthermore, the employee has an obligation towards the employer to display psychological presence, activation and a level of behavioural energy. However, this is contingent on a person-environment fit, along with an overlap of values.

Macey & Schneider,(2008) conclude that it is a challenge to create the right conditions in which employee behaviour elicits the characteristics as defined above resulting in an environment that is difficult for competitors to emulate. Manipulating price and product are easy however, developing the desired state of an engaged workforce is not as easy (Macey & Schneider, 2008)

2.1.10. Other factors influencing Employee Engagement.

Rothbard & Edwards (2003) cited in Macey & Schneider,(2008) conclude that “people are more likely to invest their time in roles that are important to them in terms of self-identity.” Sheldon & Elliot (1999) cited in Macey & Schneider, (2008) go further to say that “people will willingly contribute their time when their roles are consistent with their personal goals and when they see themselves invested in their role performance” p.15). Kahn, (1990) believes that people will vary their level of engagement in accordance with the perception of benefits; the level of meaningfulness; the absolute certainties that the situation presents, or the level of safety offered. In effect, evidence in the literature Joo & Lim, (2009) refers to the personal characteristics of the employee, with respect to his/her outlook on life, and how the inherent nature of the individual influences engagement levels in the workplace. Additionally, the availability of resources on offer to the employee will have an impact on engagement levels. On this point, a model of engagement developed around the Job Demands versus the Resources (JD-R) has been developed by (Bakker & Demerouti, 2007).

- Job Demands-Resources

Studies like (Schaufeli et al., 2002), (Langelaan, Bakker, van Doornen, & Schaufeli, 2006), (Joo & Lim, 2009) and (Schaufeli, Bakker, & Van Rhenen, 2009) as well as many others have considered what impact demands have on the engagement of employees. How demands such as overload; emotional requirements; work-home interference as well as physically demanding or mentally complex demands, to name a few have on the impact of performance, but equally importantly on levels of voluntary absenteeism, burnout and employee turnover as potential outcomes of challenging job requirements. At the same time, many other studies like (Aggarwal et al., 2007), (Harter, Schmidt, & Hayes, 2002) and (Xanthopoulou, Bakker, Demerouti, & Schaufeli, 2009) look to the aspects related to job resources, such as job autonomy, social support, opportunity to learn, the state of the psychological contract between both parties and performance feedback to name a few that impact on the level of engagement. The balance established between these two general categories creates the context in which employees either perform well or progressively withdraw from the job requirements, leading to outstanding or impaired performance. Resources can be viewed from multiple levels and may be located at the level of the organisation as a whole; at the level of interaction between employees; determined by the organisational structure or at the level of the task performed (Bakker & Demerouti, 2007)

In order to bring some clarity to what has been seen in both the academic community and corporate environment as a significant construct defining performance in the 21st Century, (Zigarmi, Nimon, Houson, Witt, & Diehl, 2009) have taken account of the most widely accepted definitions of employee

engagement and have incorporated these into a construct termed “Employee Work Passion”. It is clear from the new term in the literature, aimed at replacing “employee engagement”, that it connotes a higher sense of drive in the word passion, to which all employers would no doubt aspire to see their employees attain.

To conclude (Macey & Schneider, 2008) state that “highly engaged employees might exemplify behaviour both qualitatively and quantitatively different from those less engaged”, (p. 15). It is with this in mind, coupled with the growing awareness that the management of human capital differentiates one organisation from another, that it becomes critical that employees feel energetic, dedicated and absorbed in the work that they perform in so doing this passion is translated into a growth in market share and profits for the organisation.

3. CHAPTER 3

3.1. RESEARCH HYPOTHESES

3.1.1. Introduction

The purpose of the research was to identify the extent to which two constructs; that of learning organisation culture and employee engagement are related specifically within a service based sector serving the property market in South Africa. The research set out to test a number of hypotheses as a result.

3.1.2. Objective 1

The idea of classifying an organisation as one that rates highly as a learning organisation provides an indication as to how it is better able to foster tolerance, open discussion and think holistically and systemically about doing everyday business (Garvin et al., 2008). Furthermore, organisations who display these attributes are better positioned to adapt to the unpredictability of changes in the future than their competitors are (Garvin et al., 2008). In a context where two organisations operate in a similar market sector (that of the property industry) within a specific context (that of South Africa) and experiencing similar fluctuations in market trends, there was a likelihood of there being similarities between the two companies with respect to Learning Organisation Culture.

Hypothesis 1

There is no difference between two organisations within the same industry sector with respect to learning organisation culture.

3.1.3. Objective 2

Similarly, with respect to employee engagement, it can be argued that both companies experienced the global economic downturn in a similar manner which was characterised by restructuring and significant salary adjustments in order for staff to remain on the organisations' payroll. This experience would certainly have impacted on the morale of the staff and their subsequent feelings of engagement towards the work that they do. Particularly within the property sector, influenced by these adverse challenges, employees within these organisations would have felt an increased pressure to perform, potentially leading to compromised feelings of self-efficacy.

Hypotheses 2

There is no difference between two organisations within the same industry sector with respect to Employee Engagement

3.1.4. Objective 3

Higher levels of a learning organisation culture within an organisation correlate with higher levels of employee engagement.

Hypothesis 3

It is hypothesised that there will be a correlation between learning organisation culture and employee engagement with higher levels of learning organisation culture reflecting higher levels of employee engagement.

3.1.5. Objective 4

Different business units within an organisation will display varying levels of learning organisation culture when compared with each other.

Hypothesis 4

It is hypothesised that one type of business unit within an organisation will display a different level of learning organisation culture when compared with another business unit. This being due to differences in the nature of work required in each.

3.1.6. Objective 5

Different business units within an organisation will display varying levels of employee engagement when compared with each other.

Hypothesis 5

It is hypothesised that one type of business unit within an organisation will display a different level of employee engagement when compared with another business unit by virtue of the different sub-culture that may exist within the organisation.

4. CHAPTER 4

4.1. RESEARCH METHODOLOGY

4.1.1. Research Design

The research design was a quantitative causal one, using a cross-sectional survey design as the means by which to gather information and infer relationships between the measured variables. A cross-sectional design is where a sample is drawn from a population at one point in time as cited by Shaughnessy & Zechmeister, 1997, as cited in (Rothmann & Strijdom, 2002). The research provided an opportunity to compare two organisations that are similar with respect to the services sector in which they operate (property) and have a similar organisational structure. Both organisations experienced the impact of the global economic crisis in similar ways; the one using the downturn to launch itself into a new market with the other continuing to gain the best possible benefit from its existing market.

4.1.2. Population and Sample

The population consisted of all the possible employees that work in both organisations with the one organisation having 72 permanent employees and the other 250 at the time of conducting the survey

4.1.3. Sampling method and size

- Sampling method and size

All employees within both organisations were deemed to be the sample from which to gather information.

4.1.4. Data Gathering and Analysis

- Data Gathering

An introductory email was used to introduce the research to all the employees across both organisations, having obtained the complete email address list for both organisations from the respective Human Resource departments. This method of gathering the data was chosen as it was deemed the best manner in which to encourage employees from both organisations to participate, at the same time minimising the time spent by the Researcher manually having to conduct the surveys. The introduction was used to impress upon all the respondents that their responses would be strictly anonymous and held in the highest of confidence. On one occasion, following the initial email notification to all employees in both Organisations was it necessary to send a reminder in order to improve the response rate.

The first part of the questionnaire was based around collecting socio-demographic data of each respondent. This formed the basis on which to categorise employees according to period of employment, position within the company as well as in which business unit he/ she is employed in and assist in

the creating the basis for comparison of the two organisations at a granular level.

Furthermore it encouraged the respondents to participate and answer the questions as honestly as possible and only participate willingly in the survey.

- Data Analysis

The demographic data was analysed using basic descriptive statistics, with the differences between the organisations assessed using Student t-tests. Further data analysis was done in the form of correlations to determine the extent to which learning organisation culture and employee engagement interacted and whether or not there were differences between business units within each and across the two organisations.

4.1.5. Justification of selected method

(Spector, 1994) highlights the severe limitations of administering self-report questionnaires as a means by which to draw inferences about variables that influence organisational behaviour. “When self-report variables are correlated with one another, it is difficult to know whether it is the trait or method components that are responsible for the observed correlation (Spector, 1994)(p. 387). He goes on to say this is particularly relevant to cross-sectional designs where all data are collected at one point in time. Furthermore, Rindfleisch, Malter, Ganesan, & Moorman, (2008, p. 261) state that this survey research method (that of cross-sectional designs) is prone to common method variance which is the systematic method error due to the use of a single-rater or single source for the information. Furthermore, Kamakura (2001) cited in (Rindfleisch

et al., 2008)) warns about further problems associated with survey research. Halo effects, order effects and common-methods biases are all factors limiting the benefits of conducting survey-based research. Common method variance significantly limits the researchers' ability to draw causal inferences with regards to the research and therefore presents a serious threat to the validity of survey-based studies (Rindfleisch et al, 2008). Additionally, Fraser, Greene, & Mole, (2007) highlight 3 types of heuristic biases (the result of personal experience) that influence the recall of self-generated data. The first is based on an individual's willingness to think of what is similar (representativeness) by making use of cues to influence their responses. Secondly, people tend to overestimate that which is easy to recall - for example recent events, and thirdly people tend to be biased by what comes first (Fraser et al., 2007).

Conducting longitudinal studies or using multiple sources of data, such as a wide range of people within the organisation can increase the confidence with which conclusions can be drawn from a set of data (Spector, 1994).

Having considered the above and despite the arguments condemning this research technique in the academic literature, (Zikmund, 2003) highlights the value of conducting surveys in that they are a quick, inexpensive and an efficient method of assessing information about a population.

4.1.6. Research Instruments

There are two survey instruments used in the research – that of the Learning Organisation Culture survey developed by Garvin et al., (2008) and the Work & Well-being survey (UWES) developed by (Schaufeli & Bakker, 2003).

The Learning Organisation Culture questionnaire as developed by Garvin et al.,(2008) consists of 48 questions with responses required on a 7-point Likert-type response ranging from “Highly inaccurate” to “Highly Accurate”. The questions assess the 3 building blocks that define a learning organisation as defined by Garvin et al., (2008). These are: 1) A supportive learning environment, 2) Concrete learning processes and practices and 3) Leadership behaviour that reinforces learning. The survey has questions addressing each of these areas, with the outcome being that certain departments within an organisation may reflect stronger attributes on one building block than others, as well as the one organisation having a stronger overall learning culture than the other.

Secondly, the Work and Well-being Survey (Utrecht Work Engagement Scale) developed by (Schaufeli & Bakker, 2003) has been extensively used (Bakker, Schaufeli, Leiter and Taris (2008) since its inception as a tool to determine Employee Engagement. The survey comprises of 17 statements using a 7-point Likert type response and involves three subscales that of vigour, dedication and absorption to comprehensively define the characteristics of engaged employees. (Storm & Rothmann, 2003) have validated the survey for the South African context and Schaufeli, Bakker and Salanova (2006) cited in (Bakker & Schaufeli, 2008) confirm the cross-national validity of the survey.

4.1.7. Limitations and Assumptions

- Limitations

The following issues have been highlighted relating to the study which should be taken into account when considering the outcomes.

The researcher is in the employ of one of the organisations which could present an opportunity for employees within the Organisation to respond in a different manner. However this risk was minimised through the administration of the surveys using an internet based survey tool, and the introduction to the surveys indicating all results submitted were to remain anonymous as there was no opportunity for employees to identify themselves and as a result their opinions would be held in the strictest confidence.

Spector (1994) cautions against social desirability bias even though the survey instruments are considered valid measures of Learning Organisation Culture and Employee Engagement. No employees within the organisation for which the Researcher works were coerced into taking part and in light of the previous statement, all measures were taken to minimise any bias in this regard.

A significant limitation of the study is the cross-sectional design, making the study prone to common method variance. To have done a study whereby one of the variables were measured pre and post an intervention would have been more substantial, or having conducted a longitudinal study comparing the two organisations after a significant period of time having elapsed.

The length of the surveys combined could have meant that employees lost interest whilst completing the survey, impacting either on their true feelings or

reducing the number of employees completing the surveys. Although this would occur in the context of both Organisations so as not to confound the results, to combat the above, the Researcher placed the Employee Engagement survey at the end, as these questions were shorter and more emotive with the possibility of stimulating the employees to complete the surveys.

The research assumes from the outset that there are varying levels of Learning Organisation Culture between the two organisations and doesn't account for different type of organisational cultures that may have been defined in academic literature. Fard, Rostamy, and Taghiloo (2009) compare four types of Organisational Culture, one being Learning Organisation Culture and the limitation is that this research only focuses on establishing the extent to which the Organisation is making learning a part of every employee's job.

In conducting a survey specifically related to the construct of Employee Engagement, in which the employees of both organisations voluntarily participate, is in itself a limitation as some employees who are not engaged in the work they are doing would not have participated due to poor motivation to do so. To counter this, the introduction and link to participate in the research was sent from either the Human Resources manager or the CEO in each organisation to pique the interest of employees in order to participate for the benefit of getting a better understanding of how the Organisation is viewed by its employees.

Although both Learning Organisation Culture and Employee Engagement are clearly defined constructs, it may have been more meaningful to investigate an

aspect of Employee Engagement or the Learning Orientation in relation to the other so as to get a deeper understanding of how the two influence each other. Alternatively to have done a factor analysis and developing a regression model in order to determine from a number of independent variables the influence they have on a learning Orientation.

The generalizability of the outcomes to a broader context is limited, considering the context of the study was in the services sector of the South African property market.

- Assumptions

The assumptions in this study is that the employee in both organisations gave honest responses to the questions and that each employee had an adequate understanding of both the English language and the manner in which to respond to a series of questions when facing an internet based survey instrument.

5. RESULTS

5.1. Introduction

A summary of the results are presented, reflecting responses from employees in two property sector service-based organisations in South Africa. Additionally various statistical analyses were conducted in order to reject or not to reject the hypotheses detailed in Chapter 3.

A total of 30 respondents in Organisation A and 105 in Organisation B completed both surveys, reflecting a 39% and 41% response rate for each organisation respectively. This is considered a valid sample from which to draw inferences about both organisations on the constructs of Learning Orientation and Employee Engagement which the surveys are designed to measure. For the purpose of statistical analysis, the negatively worded questions within the Learning Orientation survey were inverted so that all responses were reflected in a positive form in order that these would conform to the requirements of the statistical techniques conducted on the results.

Cronbach's Alpha reliability tests were conducted to determine the reliability of each question within each survey; the results of this analysis are included in this chapter. Parametric statistical analyses were conducted on the data, and due to the sample size indicated above, it was deemed appropriate to draw inferences of the data using these statistical techniques.

Furthermore, correlations were conducted to determine the strength of the relationship between Organisational Learning Culture and Employee

engagement and infer whether or not significant relationships existed between them.

5.2. Reliability Analysis

Reliability is defined as the degree to which measures are free from error and yield consistently the same results (Zikmund, 2003). The generally accepted statistical technique used to interpret reliability is Cronbach's Alpha. Furthermore, the most widely accepted lower limit for acceptability with regards to reliability is a Cronbach's Alpha coefficient of 0.7 (Santos, 1999).

5.2.1. Learning Organisation Culture survey Reliability analysis.

Each of the questions in the three building blocks identified by the survey were tested for reliability with the following outcomes.

Table 1: Reflecting Cronbach's Alpha Reliability Coefficient for items related to creating a "Supportive Learning Environment"

	Cronbach's Alpha
Building Block 1	
Supportive Learning Environment	0.88
Psychological Safety	0.74
Appreciation of Differences	0.49
Openness to New Ideas	0.73
Time for Reflection	0.79

With reference to the reliability of the questions used in determining a *Supportive Learning Environment*, the overall Cronbach's Alpha was 0.88 even though there were individual questions that fell far short of being reliable under each of the four attributes that define this building block. In most of the cases it is the reverse scored questions that have a lower Cronbach's Alpha, and in

particular question 3 under the attribute of *Appreciation of Differences* that scored a 0.09 for “Corrected Item-Total correlation”. The question: “This unit tends to handle differences of opinion privately or off-line, rather than addressing them directly with the group” scored the lowest of all questions in both surveys for “Corrected Item-Total correlation”. The attribute *Appreciation of Differences* scored the lowest Cronbach’s Alpha Coefficient (0.49) for all the attributes across the complete Learning Organisation Culture survey, even though the overall *Supportive Learning Environment* is considered a reliable measure.

Table 2: Reflecting the Cronbach’s Alpha reliability Coefficient for items related to “Concrete Learning Processes and Practices.”

		Cronbach’s Alpha
Building Block 2	Concrete Learning Processes & Practices	0.95
	Experimentation	0.79
	Information Collection	0.90
	Analysis	0.77
	Education & Training	0.93
	Information Transfer	0.93

With regard to the Reliability of the questions indicated above, the overall Cronbach’s Alpha for Concrete Learning Processes and Practices is 0.95 which is the highest of the three building blocks defining attributes of a Learning Organisation Culture. Under the item of *Analysis*, the question “This unit never revisits well established perspectives during discussions”, scored a 0.196 for “Corrected Item-Total correlation, yet the group of questions defining this attribute are considered reliable in their entirety with a Cronbach’s Alpha value of 0.77.

Table 3: The Cronbach's Alpha reliability Coefficient for items related to "Leadership that reinforces learning"

Cronbach's Alpha

Building Block 3	Leadership that reinforces Learning	0.88
------------------	-------------------------------------	-------------

Once again, with reference to the reliability coefficients defining the attributes that measure *Leadership that reinforces learning* are reliable collectively with a coefficient of 0.88. Similar to the other Building Blocks, one question (# 8) seems to score poorly (0.07) with regards to reliability. "My manager(s) criticise views different from their own."

5.2.2. Employee Engagement Survey Reliability Analysis

Table 4: The Cronbach's Alpha reliability coefficient for items related to Employee Engagement.

Cronbach's Alpha

Employee Engagement		0.93
Attribute 1	Absorption	0.79
Attribute 2	Dedication	0.88
Attribute 3	Vigour	0.84

With reference to the Cronbach's Alpha coefficients for Employee Engagement, and the 3 sub-scales that define Engagement according to (W. B. Schaufeli et al., 2002), it is clear that the overall reliability is acceptable with a Cronbach's Alpha coefficient of 0.93. Additionally the Cronbach's Alpha values obtained for each Attribute; that of Absorption (0.79), Dedication (0.89) and Vigour (0.84) are considered reliable and the individual questions collectively are appropriately suited to measuring the concept of Engagement.

5.2.3. Learning Organisational Culture

Hypothesis H1_o: There is no difference between two organisations within the same industry sector with respect to Learning Organisation Culture.

Hypothesis H1_A: There exists a difference between two organisations within the same industry sector with respect to Learning Organisation Culture.

Table 5: Mean Learning Organisation Culture Scores and Independent T-Test P-Values for Supportive Learning Environment for both Organisations.

Learning Organisation Culture: Block 1

	Organisation A		Organisation B		T-Test
	Mean	Std. Dev.	Mean	Std. Dev.	P-Value
Supportive Learning Environment	4.12	1.06	4.76	1.12	0.001
Psychological Safety	4.32	1.36	5.03	1.37	0.005
Appreciation of Differences	-	-	-	-	-
Openness to new ideas	4.76	1.42	5.21	1.23	0.059
Time for Reflection	3.50	1.16	4.27	1.43	0.003

With reference to Table 5, the results for the comparison of *Appreciation of Differences* were ignored due to the overall Cronbach's Alpha reliability score (0.49) being too low. Further to the above, the means for *Openness to new ideas* was not statistically significant between Organisations A and B. However, with respect to *Psychological Safety* ($p = 0.005$), and *Time for Reflection* ($p = 0.003$), the differences between the two organisations were statistically significant ($p < 0.05$) with Organisation B scoring higher on both accounts. An aggregate score for *Supportive Learning Environment* as a whole indicates a p value of 0.001 indicating that with respect to Building Block 1 Organisation B is

statistically better than Organisation A having a greater tendency to reflect the attributes of a Learning Orientation on the items indicated above.

Table 6: Mean Learning Organisation Culture Scores and Independent T-Test P-Values for Supportive Learning Environment for both Organisations.

Learning Organisation Culture: Block 2

	Organisation A		Organisation B		T-Test
	Mean	Std. Dev.	Mean	Std. Dev.	P-Value
Concrete Learning Processes & Practices	4.12	1.34	4.71	1.20	0.012
Experimentation	4.34	1.60	4.59	1.25	0.337
Information Collection	4.88	1.61	5.03	1.47	0.605
Analysis	4.13	1.37	4.79	1.19	0.008
Education and Training	3.40	1.68	4.55	1.73	0.001
Information Transfer	3.66	1.49	4.56	1.45	0.002

With reference to Table 6 above, all the Cronbach's Alpha reliability coefficients were above 0.7 and it is therefore safe to conclude that the questions under each item above reflect appropriate responses to each item and in turn can be inferred to reflect appropriately on the overall Building block of *Concrete Learning Processes and Practices*. Two attributes, namely *Experimentation* ($p=0.337$) and *Information Collection* ($p=0.605$) were not significantly different ($p<0.05$) whereas the attributes of *Analysis*, *Education & Training* and *Information Transfer* were ($p<0.05$) with Organisation B scoring higher than Organisation A on these. Furthermore, an aggregate mean reflecting *Concrete Learning Processes and Practices* was statistically significant ($p=0.012$) indicating that Organisation B has scored better on these attributes than Organisation A.

Table 7: Mean Learning Organisation Culture Scores and T-Test P-Values for Leadership that reinforces Learning for both Organisations.

Learning Organisation Culture: Block 3

	Organisation A		Organisation B		T-Test
	Mean	Std. Dev.	Mean	Std. Dev.	P-Value
Leadership that reinforces learning	3.05	0.80	3.74	0.84	0.000

With reference to Table 7 above, the aggregate Cronbach's Alpha Reliability coefficient for the questions relating to this attribute was 0.88, once again indicating that these questions reliably measure aspects of the above attribute. The results of the t-test indicate a significant difference in the mean scores with Organisation B reflecting a higher mean, indicating a tendency for this organisation to provide better leadership that reinforces learning within the organisation.

Result: The hypothesis H_0 indicating no difference between organisations within the same industry sector with respect to Learning Orientation is rejected, with the alternate hypothesis being tentatively accepted indicating a difference between these two organisations with respect to Learning.

Furthermore, it is evident that in all the items of the Attributes related to Learning Orientation that these are higher for Organisation B, and statistical significance was achieved in all the Building Blocks except for those of "Appreciation of Differences" and "Openness to new ideas" in Block 1 and "Experimentation" and "Information Collection" in Block 2.

5.2.4. Employee Engagement

Null Hypothesis H_{2O}: There is no difference between two organisations within the same industry sector with respect to Employee Engagement.

Hypothesis H_{2A} : There exists a difference between two organisations within the same industry sector with respect to Employee Engagement.

Table 8: Mean Employee Engagement Scores and T-Test P-Values for both Organisations

Employee Engagement

	Organisation A		Organisation B		T-Test
	Mean	Std. Dev.	Mean	Std. Dev.	P-Value
Employee Engagement	5.11	1.18	5.82	0.84	0.000
Vigour	5.10	1.19	5.79	0.92	0.001
Dedication	5.07	1.44	6.04	0.93	0.000
Absorption	5.16	1.32	5.68	0.90	0.013

With reference to Table 8 regarding the Employee Engagement survey, the Cronbach's Alpha coefficient for the three characteristics defining this construct is as follows: Absorption (0.78), Dedication (0.88) and Vigour (0.84) with an overall Cronbach's Alpha coefficient of 0.93 for the survey as a whole. It is therefore possible to conclude that the individual questions constituting this survey are reliable in measuring Employee Engagement. It is also clear for both organisations that the tendency of the results is toward the positive in all three attributes constituting Employee Engagement. The mean scores are above "5" across all attributes in both organisations, with this number associated with the verbal cue "often". All statements in the Employee Engagement Survey were positively worded, e.g. "When I get up in the morning, I feel like going to work".

On all accounts the mean for Organisation B is significantly higher ($p>0.05$) than that of Organisation A.

Result: In light of the above finding, the null hypothesis is rejected and the alternate is accepted stating that there is a difference with respect to employee engagement in this industry sector with Organisation B reflecting a statistically significant level of Employee Engagement which is greater than that of Organisation A.

5.2.5. The extent of the Relationship between Learning Organisation Culture and Employee Engagement.

Hypothesis 3₀: There is no relationship between Learning Organisation Culture and Employee Engagement.

Hypothesis 3_A: A relationship exists between the constructs of Learning Organisation Culture and Employee Engagement.

Table 9: Correlations between Learning Organisation and Employee Engagement of the companies combined.

Correlations	Supportive Environment	Learning Processes	Leadership & Learning	Learning Org. Culture
Employee Engagement	0.451	0.407	0.384	0.463
Significance ($p<0.01$)	0.000	0.000	0.000	0.000
Vigour	0.471	0.393	0.355	0.457
Significance ($p<0.01$)	0.000	0.000	0.000	0.000
Dedication	0.442	0.428	0.445	0.481
Significance ($p<0.01$)	0.000	0.000	0.000	0.000
Absorption	0.332	0.304	0.264	0.341
Significance ($p<0.01$)	0.000	0.000	0.000	0.000

Where N = 135

With reference to Table 9, the Pearson Correlation coefficients indicated above determine whether a relationship exists between Learning Orientation and Employee Engagement and the underlying attributes of each, at the broadest level with different combinations of attributes defining either construct correlated with each other to determine the extent of any relationships existing between these attributes.

At the highest level, Learning Organisation Culture and Employee Engagement have a moderately high correlation of 0.463. The attribute of Employee Engagement, *Dedication* has a 0.481 correlation with Learning Organisation Culture with *Vigour* a 0.457 and *Absorption* a 0.341 correlation. With respect to Employee Engagement and the Building blocks defining Learning Organisation Culture, the highest correlation is with *Supportive Learning Environment* (0.451), then *Concrete Learning Processes and Practices* (0.407), followed by *Leadership that reinforces learning* (0.384)

All of the above correlations are significant at the 0.01 level.

Table 10: Correlations between the attributes of Employee Engagement and the attributes defining Learning Organisation Culture.

Correlations	Absorption	Dedication	Vigour
Learning Org. Culture	0.341	0.481	0.457
Significance (p<0.01)	0.000	0.000	0.000
N	135	135	135

With reference to Table 10, the attribute of Employee Engagement that may have the highest possible influence on Learning Organisation Culture is Dedication (0.481) with Absorption (0.341) having the lowest correlation.

All of the above correlations are significant at the 0.01 level.

With respect to the correlation between the constructs of Learning Organisation Culture and Employee Engagement, in all instances relating to the attributes of each there are low to moderate positive correlations which are statistically significant in each case ($p < 0.01$).

Result: In light of the above findings, the null hypothesis is rejected and the alternate is accepted stating that there is a correlation between Employee Engagement and Learning Organisation Culture and that this is a positive relationship where increases in the one construct will potentially increase the benefits of the other within the Organisation.

5.2.6. Business Unit comparison for Learning Organisation Culture and Employee Engagement.

Hypothesis 4₀: There exists no difference between two types of Business units within Organisations with respect to Learning Organisation Culture.

Hypothesis 4_A: A difference exists between two business units with respect to Learning Organisation Culture and Employee Engagement.

Hypothesis 5₀: There exists no difference between two types of Business units within Organisations with respect to Employee Engagement.

Hypothesis 5_A: A difference exists between two business units with respect to Employee Engagement.

Table 11: Comparison between both Organisations combined, reflecting differences between Means on Learning Organisation Culture Attributes across two broad categories of Business Unit.

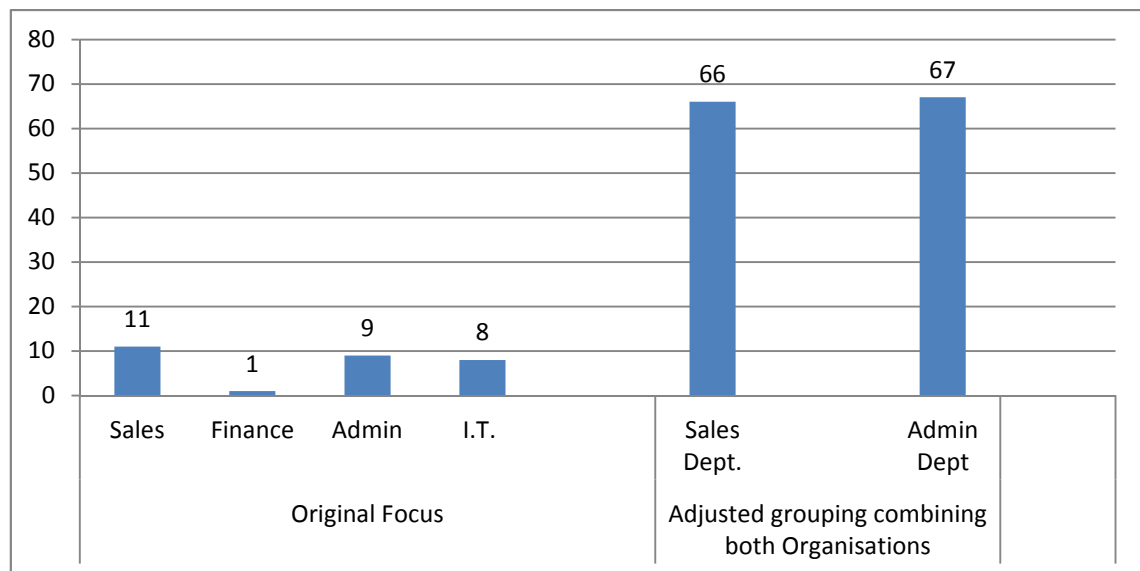
Business Unit Comparison

	Sales		Other		T-Test
	Mean	Std. Dev.	Mean	Std. Dev.	P-Value
Supportive Environment	4.75	1.20	4.57	0.94	0.35
Learning Processes & Practices	4.67	1.27	4.45	1.11	0.31
Leadership reinforcing Learning	3.69	0.80	3.44	0.91	0.86
Learning Org. Culture	4.55	1.09	4.34	0.89	0.237

With reference to Table 11 above, the results from both Organisations were combined for all the measured attributes and then split according to two broad categories of Business Unit, namely “Sales” and “Other” in order to determine whether differences existed between Business Units. It only became apparent once the research was being conducted that Organisation B has only 2 employees in their I.T. Department and one in their Finance Department. Along this classification, 66 employees classified themselves as “Sales”, with the “Other” category being constituted of “Administration, I.T. and Finance” with. Organisation A has 25 employees working in their I.T. Department with 4 employees in their Finance Department. Additionally, Organisation B has a large “Administration” department whereas Organisation A didn’t and therefore the only meaningful way to attempt to draw comparisons across both Organisations was to combine departments to create a comparison between two similar sized departments reflecting “Sales” and “Other” across both Organisations. This was in an endeavour to determine whether at least the Sales Departments would indicate a tendency towards having a different culture

to the rest of an Organisation. See Figure 12 below for a frequency distribution of how this reallocation took place.

Table 12: Frequency representation as to how the Departments were manipulated across organisations to reflect something of two distinct Departments.



With regards to Learning Organisation Culture attributes, in comparing the Mean scores across business units from Table 11, the combined Sales Department scored higher across all attributes in comparison with “Other” on Attributes related to Learning Organisation Culture.

Table 13: Comparison between both Organisations combined, reflecting differences between Means on Employee Engagement Attributes across two broad categories of Business Unit.

Business Unit Comparison

	Sales		Other		T-Test
	Mean	Std. Dev.	Mean	Std. Dev.	P-Value
Absorption	5.69	1.11	5.41	0.94	0.119
Dedication	5.97	1.22	5.64	1.02	0.097
Vigour	5.78	1.15	5.46	0.84	0.071
Employee Engagement	5.81	1.11	5.5	0.79	0.067

Similarly, in reference to Table 13, the combined Sales Department mean scores for Employee Engagement Attributes were higher than that of “Other” indicating more positive responses to aspects of Employee Engagement than the “Other” staff group. In considering the standard deviation for both Business Units across both Constructs, there is a larger variation on all Attributes for the “Sales” Department versus “Other”.

Result: None of the differences in Means for both Constructs across all the measured attributes were significant ($p < 0.05$) and therefore the Null hypothesis is accepted concluding that not difference exists between Organisations with respect to Business Units for aspects relating to Learning Organisation Culture and Employee Engagement.

Table 14: Summary of Results for Hypotheses Tested.

HYPOTHESIS	NULL HYPOTHESIS ACCEPTED / REJECTED	OUTCOME
Hypothesis 1	Rejected	Significant Differences exist
Hypothesis 2	Rejected	Significant Differences exist
Hypothesis 3	Rejected	Significant Differences exist
Hypothesis 4	Accepted	No significant difference exists
Hypothesis 5	Accepted	No significant difference exists

Table 15: Ranked Mean comparison for all Attributes from highest to lowest for both Organisations.

Rank	Organisation A		Organisation B	
1	Absorption	5.16	6.04	Dedication
2	Employee Engagement	5.11	5.83	Employee Engagement
3	Vigor	5.11	5.80	Vigor
4	Dedication	5.07	5.69	Absorption
5	Information Collection*	4.88	5.21	Openness to new ideas*
6	Openness to new ideas*	4.76	5.03	Information Collection*
7	Experimentation*	4.34	5.03	Psychological Safety
8	Psychological Safety	4.32	4.79	Analysis
9	Appreciation of Differences*	4.14	4.59	Experimentation*
10	Analysis	4.13	4.57	Appreciation of Differences*
11	Information Transfer	3.66	4.56	Information Transfer
12	Time for Reflection	3.50	4.55	Education and Training
13	Education and Training	3.40	4.27	Time for Reflection
14	Leadership that reinforces learning	3.05	3.73	Leadership that reinforces learning
* indicates Attributes that were not significantly different ($p < 0.05$)				

6. CHAPTER 6

6.1. Discussion of Results

6.1.1. Introduction

To contextualise this discussion, a short background to the context of each organisation is provided in order to frame the point in time in which the organisations were assessed. Within the understanding that significant differences were found to exist between the Organisations with respect to Objectives 1 to 3 and not for Objectives 4 and 5, the ensuing discussion will endeavour to extract from the surveys reasons why these differences exist. The two organisations operate in a similar context and sell to and support an almost identical client database yet do not compete. No further commentary will be made with respect to Objectives 4 and 5, except in the recommendations for further study.

6.1.2. Introduction to the context of each Organisation.

By drawing some conclusions about the relationship between these two constructs, the research provides an insight to strategies organisations can adopt to not just remain competitive in an ever- changing environment, but more importantly develop a culture that maximises profitability through fully engaged staff while simultaneously growing market share.

By understanding the context in which both Organisations find themselves at the time of conducting the survey the results are better interpreted.

Both organisations were significantly impacted by the “sub-prime” economic crisis of 2008, the effects of which are still evident at the time of writing this

report with the property market in the country in something of a “ticking over” mode. As a result, both were required to resize operations by retrenching some, the result influencing retained employee’s attitudes towards their respective employer in some form. Organisation A has over the past 18 months repositioned itself in its market, providing a service to a sector of the market that previously it competed directly with. At the time of conducting the survey, an on-going roll-out period of rapid innovation in the development and deployment of new software was taking place in order to accommodate a growing market share. In this context, the leadership, specifically the CEO was uncompromising on certain aspects of the products it was developing, in so doing this could have been perceived by all in the Organisation as an environment where only one opinion mattered.

In contrast, Organisation B was embarking on the appointment of a new CEO, which was announced the week in which the surveys were distributed. The organisation had not changed any aspect of the products offered to the market, nor had their strategy to gain market share changed in any significant way and are known in the market at the organisation with the most proficient and helpful employees, with this reputation to uphold. Furthermore, Organisation A is offering their product to the consumer in the same way as their competitors are doing, only differentiating themselves on price (more expensive) and superior level of customer support. Organisation A however, was offering products to a new market segment that traditionally was reluctant to embrace this product, in so doing creating an emotionally charged environment at times.

6.1.3. Learning Organisation Culture

The three Building Blocks approach to measuring the extent of learning taking place within an organisation provides a detailed analysis against which an Organisation can benchmark itself as how well it is doing in fostering an optimal learning environment both internally for its employees as well as to better understand what the customer requires..

With reference to Objective 1 of the research which set out to determine whether differences exist with regards to a Learning Orientation between two organisations operating in the property sector, the null hypothesis was refuted statistically, indicating that there exists a difference in Learning Orientation between these two organisations. By discussing the two organisations at a granular level, some of the reasons for this difference are highlighted and substantiated by reference to the literature.

- A supportive Learning Environment

The first attribute of Building Block one (*Supportive Learning Environment*) is *Psychological Safety*. It is not co-incidental that this is the first area of assessment as it provides the foundation on which Employees within an organisation feel secure enough to be able to speak out without fear of a backlash of some form, in effect setting the overall tone as to whether employees feel the freedom to do so. Arad et al, 1997, cited in Martins & Terblanche, 2003) on this subject, states that the degree to which employees have the freedom and have a sense of power to be able to participate in

decision making, will result in a level of empowerment which is directly related to the extent of creativity and innovation taking place in an organisation.

Table 16: Indicates the three most positive likert responses when collating the percentages for comparing Organisation A and B on the Learning Organisation Survey.

	5	6	7
Positive Responses on the Likert Scale	Slightly Accurate	Moderately Accurate	Highly Accurate

Table 17: Indicates the three most positive likert responses when collating the percentages for comparing Organisation A and B on the Employee Engagement Survey.

	5	6	7
Positive Responses on the Likert Scale	Often (once a week)	Very often Few times a week	Always Everyday

In computing the percentages of the three most positive responses on the likert scale (see Table 16) for certain questions on *Psychological Safety*, insights can be gained as to the underlying reasoning for the differences between the Organisations. Question 1: “It is easy to speak up about what is on your mind” got 74% of respondents in Organisation B agreeing with the statement, in comparison with 60% in Organisation A. Furthermore, Question 3 “People in this unit are usually comfortable talking about problems and disagreements” received 71.2% in the affirmative for Organisation B compared with 57.5% in Organisation A. Finally, Question 4 “People in this unit are eager to share information about what does and doesn’t work” received a 77.6% positive response in Organisation B compared with a 52.5% in Organisation A. Egan et al. (2004) say that the culture of an organisation influences the satisfaction of the employee on the job, directly impacting his/her willingness to share newly

acquired knowledge in his/her working environment. Huhtala & Parzefall, (2007) state with respect to innovation, which should be an expected outcome of a Learning Organisation, that it is not the requirement of a select few, but should be the contribution made by most employees as part of their everyday work. This is unfortunately not the case for Organisation A which has 47.5% of its employees not inspired to willingly share information. Surprisingly, Organisation A is a true market leader in the products it develops and as a result is constantly increasing its market share over its competitors and so the results indicated above are somewhat counter-intuitive. This apparent contradiction may lie in the fact that 65.5% of the employees (see Table 4 in the Appendix: Department in which Employed) from Organisation A that completed the survey were either in the Sales or IT departments which are traditionally very competitive and don't necessarily foster a culture of sharing openly about what does or doesn't work well for them as an individual. This is substantiated in the literature by Nystrom (1990) cited in Martins & Terblanche, (2003) who states that creative and innovative departments regard competitiveness as an important aspect of their culture. Additionally, Martins & Terblanche, (2003) is of the view that the organisational management structure plays a role in promoting or inhibiting innovation. Arad et al., (1997) cited in (Martins & Terblanche, 2003) states that a flat structure, autonomy and work teams will promote innovation. This may be true for the IT team within Organisation A, however, with respect to the Sales Team in the same organisation, the hierarchical structure under which they operate with an extra tier of management in comparison to Organisation B may be hindering a sense of *Psychological Safety* in order to be outspoken. In reflecting on the "Length of Service" (See Table 3 in the Appendix) by employees within each Organisation, both have similar distribution of service

intervals, indicating that it isn't the length of time in serving the organisation that may create a sense of inadequacy in being able to make a contribution to the learning culture.

- Time for Reflection

In keeping with the discussion on the Attributes related to Block 1 of the Learning Organisation, questions from *Time for Reflection* both Organisation A and B elicit similar responses to Question 1: "People in this unit are overly stressed". By collating once again the outright affirmative responses to the question, Organisation A has 69.2% of employees agreeing to the statement, with Organisation B 71.7%. However, in response to Question 2: "Despite the workload, people in this unit find time to review how the work is going", only 5.1% of Organisation A staff, in comparison with 25.8% in B respond with 'Highly Accurate' to this statement. The answer to the above is found partly in the responses to Question 3: "In this unit, schedule pressure gets in the way of doing a good job" where 71.7% of employees in Organisation A respond in the affirmative, in comparison with Organisation B with 37.6% - almost half. This is further reinforced by the responses in the following two questions: "...people are too busy to invest time in improvement" and "There is simply no time for reflection...." The responses being 56.3% and 43.6% for Organisation A compared with 35% and 29.2% for Organisation B respectively. It is clear from the above that both Organisations are driving Employee performance; however Organisation A is doing so in a manner that doesn't allow employees time to reflect on what they are doing. According to Garvin, (1993) this is a critical first step in fostering an effective learning culture within an organisation. Garvin, (1993, p.91) states quite emphatically that "learning is difficult when employees

are harried or rushed; it tends to be driven out by the pressures of the moment.” The lack of time to reflect could account for only 60% of the employees in Organisation A responding in the affirmative to the question: “I find the work that I do full of meaning and purpose,” compared with 90.3% of the employees in Organisation B. This question forms part of the attribute ‘Dedication’ which is an attribute of Employee Engagement. The correlation between *Supportive Learning Environment* and Dedication is 0.442, indicating that there is a relationship. Incidentally ‘dedication’ was ranked as the highest Attribute for Organisation B when comparing both Organisations on all attributes measured for both constructs. (See Table 15).

- Education and Training

With regards to this attribute of Block 2 of the Learning Organisation Survey (Concrete learning processes and practices) and with specific reference to the Question: “Newly hired employees in this unit receive adequate training”, Organisation A responded with 27.3% in the affirmative, Organisation B 53.1%, which if inverted means that 72.7% either had no opinion about this attribute or felt that there is adequate training offered for new recruits. Interestingly regarding Organisation A, 48.4% of the employees responded either “Moderately” or “Highly inaccurate” to the same question, compared with 24.8% in Organisation B indicating that there is a conflict within the Organisation regarding this Attribute. When reflecting on the Job Level as indicated in the basic demographic data in the Appendix, that 30% of the employees who completed the survey from Organisation A were middle or top management, compared with only 15% for Organisation B. It would be tempting to conclude, that this is a case where the perception of an issue between Management and

Employees is met with opposing views as Management feel they are doing enough to train new recruits, yet the employees don't concur. However, in understanding that many of the experienced employees within Organisation A have been promoted to management positions by virtue of their tenure in the organisation, then the following response indicates otherwise. Answers to Question 2: "Experienced employees in this unit receive periodic training and updating" elicited a 60.5% response in the lowest two Likert scales in Organisation A in comparison with 25.7% in Organisation B. This is emphasised in the responses to Question 4: "Experienced employees in this unit receive training when new initiatives are launched" with 30.3% of employees agreeing to this, compared with 62.3% in Organisation B. This sentiment is further confirmed in the responses to Question 5: "In this unit, training is valued", where 50% of all employees responded in the affirmative, compared with 62.3% in Organisation B. There is clearly an area in which Organisation A needs to channel resources – to improve the skill of all its employees across all levels, in order that they feel empowered and confident to make a contribution to developing the learning culture.

- Information Transfer

This attribute in the Learning Orientation survey makes a comprehensive investigation into whether or not the organisation under scrutiny is sharing information both internally and externally, at the same time acquiring information from sources both internally and externally to improve itself. The analysis and discussion of some of the questions in which the opinions differ largely provides further insight into why a learning Orientation is important to gain maximum leverage in developing a competitive advantage.

With reference to Question 2: “This unit has forums for meeting and learning from Experts from outside the organisation”, Organisation A reflected a 28.2% agreement in comparison with 49.1% found in Organisation B. The same pattern in responses is reflected in almost all the Questions relating to this attribute and is the case for Questions 3,4,5,6 and 7. There is also a pattern in both Organisations (Questions 2,3,4,6) with close on 20% of employees in each Organisation undecided (Likert response 4) indicating that they are ignorant about whether Information Transfer is happening, and so this may be influencing their responses to questions they have a strong opinion about without knowing the actual situation. An example of this is Question 2 above, where it is known to the Researcher that Organisation A does meet with experts from outside the organisation to learn and facilitate knowledge transfer. However, this experience is limited to one or two employees as the products and services Organisation A is developing are in some instances ahead of similar organisations competing in first world economies. As a technology driven services organisation, compared with Organisation B which is a more relationship driven services company, it is understandable that this difference will exist, with only key employees in Organisation A being exposed to world leading experts in technology, and the majority of employees benefit from the implementation of this without knowing the source of the knowledge for the new product / service. Furthermore, this attribute is closely aligned with that of *Education and Training*, and with Organisation A having been highlighted as poor in this attribute, it is going to reflect in this one too. However, the underlying issue identified in the questions relating to *Information transfer* is found in Question 7 “This unit quickly and accurately conveys new knowledge to

key decision makers” with Organisation A having 46.9% in agreement, compared with 65.8% of employees agreeing in Organisation B. This difference is further emphasised with 27.8% of employees in Organisation B finding this statement ‘Highly Accurate’, compared with 0% in Organisation A. This is a key finding, indicating that to a large extent, the differences between Organisation A and B is the result of poor internal communication, leaving employees feeling inadequately equipped to access the information required to get their job done more effectively.

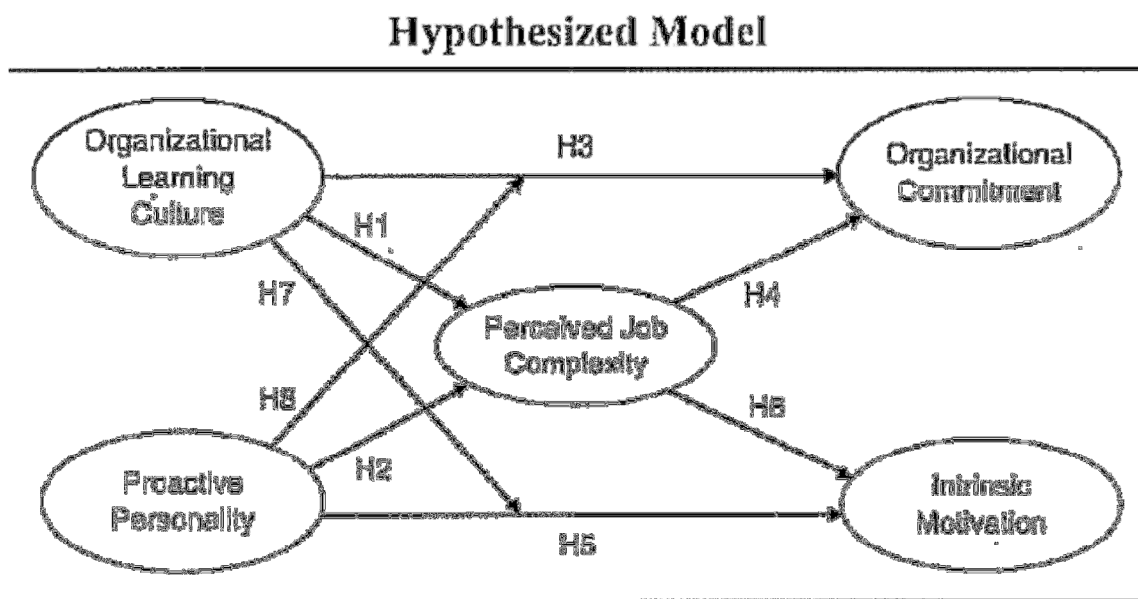
6.1.4. Employee Engagement

In opening the discussion on Employee Engagement, Joo & Lim, (2009) make a relevant comment related to the increasing prevalence of the “Knowledge worker” and the impact this is having on organisations. There is a move from occupations based in a functional context where roles are narrowly defined to work done in divisional structures that are “more broadly defined and have greater complexity and autonomy resulting in employees working in teams (Noe, Hollenbeck, Gerhard and Wright cited in Joo & Lim, 2009, p. 50). The divisional structure is growing in prevalence today, especially in the fast developing emerging economies as well as the developed world where the working environment is considered unstable and unpredictable due to the rapid rate of change taking place. The divisional structure of work requires that a higher level of organisational learning culture exists in comparison with the narrowly defined context of the functional work structure (Joo & Lim, 2009). The conclusion drawn by Joo & Lim, 2009 is that the “work attitude” of knowledge workers in jobs that require high levels of knowledge and creativity will vary directly with the level of Organisational learning culture. They define work

attitude as the perception the employee has of the complexity required in being able to do the job (Joo & Lim, 2009). This provides the back drop to providing in part an understanding to the complex construct of Employee Engagement as discussed in the review of literature in Chapter 2.

With reference to the framework outlined by Macey & Schneider, 2008 (see Figure 1) it is clear that Employee Engagement is not a simple construct and the interplay of many factors contribute to a state where Employees can be deemed to be engaged in the work they perform. Taking account of the above and in conjunction with a model developed by Joo & Lim, 2009 (see Figure 2 below) certain aspects of these frameworks will be highlighted and discussed and in so doing provide the integration with Learning Organisational Culture.

Figure 2: The complex interplay of certain elements of Employee Engagement and Learning Organisation Culture.



With reference to Table 15, Organisation A and B are inversely ranked with respect to the Attributes of Employee Engagement, the highest ranked Attribute for Organisation A is that of Absorption, the lowest being Dedication with Organisation B having Dedication as its highest ranking attribute, Absorption lowest. This indicates at a fundamental level the differences between them – in that Organisation A being a highly innovative technology driven business employs a higher number of knowledge workers relative to Organisation B which is more inclined to relationship building with its customers in order to differentiate itself in the market in which it competes. The fact that the role of almost 30% (IT & Infrastructure) of the employees in Organisation A is to perform knowledge work is significant in that this is the manner in which the organisation is able to create competitive advantage. It follows therefore that “Absorption” is key considering it requires employees to fully concentrate and be deeply engrossed in the work that is to be done. In contrast, Organisation B has a reputation in the market for providing the best service to its clients by virtue of integrity and a strong commitment to a set of “family” values. This is reflected in the high rank for Dedication which is defined as having “a sense of significance, enthusiasm, inspiration, pride and challenge” A. B. Bakker et al. (2008, p.188). It is clear that with a strong set of values highlighted within Organisation B that the employees are going to respond with a heightened level of commitment in effect a measure of Employee Engagement. This being substantiated by Macey & Schneider (2008, p. 7) who states that “operationally, the measures of engagement have for the most part been composed of...one or more of the four different categories: job satisfaction, organisational commitment, psychological empowerment, and job involvement.”. Mowday et al, 1982, cited in (Joo & Lim, 2009, p.51) identified 3 characteristics of

Organisational Commitment as having a strong acceptance and belief in the organisations goals and values; a willingness to exert significant effort on behalf of the organisation, and thirdly, possessing a strong desire to maintain membership within the organisation. Organisation B achieved an 86.5% affirmative response to the Question “I find the work that I do full of meaning and purpose” compared with 60% for Organisation A. (This when collating the percentages for “Often”, “Very Often” and “Always”).

With reference then to Figure 1 and Figure 2 respectively, some aspects relating to Employee Engagement and Learning Organisational Culture can be concluded.

Joo & Lim (2009) found that employees who perceived a higher task significance (somewhat like “Dedication” in this study), and autonomy, “employees were more likely to be motivated intrinsically and be attached to the organisation” (p. 56).” This implies that by empowering employees through a providing them a sense of autonomy, that they are to be more engaged in the work they perform.

The study by Joo & Lim (2009) concluded that Organisational Learning Culture has a strong influence on Organisational commitment and enhances the level of organisational commitment from employees with low pro-activity levels. The definition of a pro-active personality is “the belief in one’s ability to overcome constraints by situational forces and the ability to effect changes in the environment” (Bateman & Crant, 1993, cited in Joo & Lim 2009, p.50). These people are likely to be those who define their role more flexibly, with ownership

of longer term goals beyond their current job (Parker, Williams and Turner, 2006, cited in Joo & Lim 2009).

Finally, Lim, 2003, cited in Joo & Lim (2009) reports that moderate (0.31 – 0.51) but significant correlations exist between organisational commitment (Employee Engagement) and Organisational Learning. Although the definitions of the constructs in the current study are not the same, similar correlations were found in the present study. See Table 9 supporting the findings.

6.1.5. Differences between Business Units

In discussing this aspect of the research, it was clear from the analysis of the “Sales” and “Other” departments that a pattern was emerging, with the Sales department having higher means on all the attributes compared with the other. This finding is in keeping with studies conducted by Harter et al. (2002) and Cegarra-Navarro and Rodrigo-Moya (2007). In the latter study, Saxe and Weitz (1982) are quoted as saying “learning culture fosters collaborative dialogue between all parties for the exchange of the information...”(p. 657). This has the effect of influencing an organisations sales employee’s as the service response to customer’ needs impacts on the employee’s ability “to adjust explanations and services to better meet clients’ expectations” (Cegarra-Navarro & Rodrigo-Moya, 2007 p.657).

7. CONCLUSION

7.1. Introduction

Increasingly, “the focus in modern organisations is on the management of human capital,” (Bakker & Schaufeli, 2008, p. 147). The aim of the study was to investigate to what extent is a Learning Organisation Culture able to impact on the level of engagement of employees within an organisation, in so doing better be able to inspire collaboration, innovation and establish new markets for services and products as an outcome. Martins and Terblanche (2003) are of the opinion that “organisational culture appears to have an influence on the degree to which creativity and innovation are stimulated in an organisation” (p.64). Specifically with respect to a learning Organisation Culture, the study found that a correlation existed between this construct and that of employee engagement. This has a direct impact on various related variables that help not only to directly lower the costs to the organisation related to employee turnover and absenteeism, but act as a catalyst to stimulate top performance from these employees.

7.2. Main findings of the study

With respect to the outcomes of the study, the following outcomes have been noted:

- Two service based organisations operating within the same market sector and dealing with almost the same customer base but selling vastly different products to them, differed significantly with respect to their learning organisation culture.

- Within the same context, the two organisations differed significantly with respect to employee engagement. Many related variables closely associated with employee engagement, such as Organisational Commitment, Job satisfaction, turn-over intent, voluntary absenteeism and many more positive and corresponding negative attributes are impacted when employees are less engaged in the work they are required to perform. The most significant impact is on both the competitiveness of the organisation as a result, as employee engagement has a direct impact on whether performance is optimal or sub-optimal, influencing the bottom-line of the organisation.
- A positive correlation between Learning Organisation Culture and Employee Engagement were noted. This significance of this has been highlighted above.
- Finally, although not proven statistically, a pattern emerged with respect to the potential existence of sub-cultures within an organisation, indicating that some departments may be better at developing a learning organisation culture, and hence be able to engage the employees in that department better than another department with the same organisation.

7.3. Recommendations for Future Research

Future studies are presented with the opportunity to investigate the differences between industry sectors, comparing a manufacturing environment with that of the services sector. This could be done with respect to both constructs – that of Learning Organisation Culture and Employee Engagement.

Secondly, a study that sets out to determine whether or not differences exist between business units within an organisation with regards to the constructs would further enhance the body of knowledge around this area. This study was unable to determine conclusively that a “Sales” department performed better on both constructs than another more generic department. This study would have merit as it may determine where departments within organisations are lacking in learning cultural attributes, which as the study has determined may have an impact on the engagement and subsequent performance of employees.

Finally the opportunity exists for a study to be conducted to consider specific types of Organisational Cultures, as highlighted by Fard et al, (2009) and whether or not these have an impact on a construct such as Employee engagement.

8. REFERENCES

- Aggarwal, U., Datta, S., & Bhargava, S. (2007). The relationship between human resource practices, psychological contract and employee engagement -- implications for managing talent. *IIMB Management Review (Indian Institute of Management Bangalore)*, 19(3), 313-325.
- Attridge, M. (2009). Measuring and managing employee work engagement: A review of the research and business literature. *Journal of Workplace Behavioral Health*, 24(4), 383-398.
- Bakker, A. B., & Schaufeli, W. B. (2008). Positive organizational behavior: Engaged employees in flourishing organizations. *Journal of Organizational Behavior*, 29(2), 147-154.
- Bakker, A. B., & Demerouti, E. (2007). The job demands-resources model: State of the art. *Journal of Managerial Psychology*, 22(3), 309-328.
- Bakker, A. B., Schaufeli, W. B., Leiter, M. P., & Taris, T. W. (2008). Work engagement: An emerging concept in occupational health psychology. *Work & Stress*, 22(3), 187-200.
- Cegarra-Navarro, J. G., & Rodrigo-Moya, B. (2007). Learning culture as a mediator of the influence of an individuals's knowledge on market orientation. *The Service Industries Journal*, 27(5), 653-669.
- du Plessis, D., du Plessis, M., & Millett, B. (1999). Developing a learning organisation: A case study. *Journal of Management Practice*, 2(4), 71-94.

-
- Egan, T. M., Yang, B., & Bartlett, K. R. (2004). The effects of organizational learning culture and job satisfaction on motivation to transfer learning and turnover intention. *Human Resource Development Quarterly*, 15(3), 279-301.
- Fard, H. D., Rostamy, A. A. A., & Taghiloo, H. (2009). How types of organisational cultures contribute in shaping learning organisations. *Singapore Management Review*, 31(1), 49-61.
- Fraser, S., Greene, F. J., & Mole, K. F. (2007). Sources of bias in the recall of self-generated data: The role of anchoring. *British Journal of Management*, 18(2), 192-208.
- Garvin, D. A. (1993). Building a learning organization. *Harvard Business Review*, 71(4), 78-91.
- Garvin, D. A., Edmondson, A. C., & Gino, F. (2008). Is yours a learning organization? *Harvard Business Review*, 86(3), 109-116.
- Harter, J. K., Schmidt, F. L., & Hayes, T. L. (2002). Business-unit-level relationship between employee satisfaction, employee engagement, and business outcomes: A meta-analysis. *Journal of Applied Psychology*, 87(2), 268-279.
- Huhtala, H., & Parzefall, M. (2007). A review of employee well-being and innovativeness: An opportunity for a mutual benefit. *Creativity & Innovation Management*, 16(3), 299-306.

- Hurley, R.F., & Hult, G.T. (1998). Innovation, market orientation, and organizational learning: An integration and empirical examination. *Journal of Marketing*, 62(3), 42-54.
- Joo, B. & Lim, T. (2009). The effects of organizational learning culture, perceived job complexity, and proactive personality on organizational commitment and intrinsic motivation. *Journal of Leadership & Organisational Studies*, 16(1), 48-60.
- Kahn, W. A. (1990). Psychological conditions of personal engagement and disengagement at work. *Academy of Management Journal*, 33(4), 692-724.
- Langelaan, S., Bakker, A. B., van Doornen, L. J. P., & Schaufeli, W. B. (2006). Burnout and work engagement: Do individual differences make a difference? *Personality and Individual Differences*, 40, 521-532.
- Macey, W. H., & Schneider, B. (2008). The meaning of employee engagement. *Industrial and Organizational Psychology*, 1(1), 3-30.
- Martins, E. C., & Terblanche, F. (2003). Building organisational culture that stimulates creativity and innovation. *European Journal of Innovation Management*, 6(1), 64-74.
- Milne, P. (2007). Motivation, incentives and organisational culture. *Journal of Knowledge Management*, 11(6), 28-38.
- Richman, A. L., Civian, J. T., Shannon, L. L., Jeffrey Hill, E., & Brennan, R. T. (2008). The relationship of perceived flexibility, supportive work-life policies, and use of formal flexible arrangements and occasional flexibility to

- employee engagement and expected retention. *Community, Work & Family*, 11(2), 183-197.
- Rindfleisch, A., Malter, A. J., Ganesan, S., & Moorman, C. (2008). Cross-sectional versus longitudinal survey research: Concepts, findings, and guidelines. *Journal of Marketing Research (JMR)*, 45(3), 261-279.
- Rothmann, S., & Strijdom, G. (2002). Suicide ideation in the South African police services in the north west province. *SA Journal of Industrial Psychology*, 28(1), 44-48.
- Saks, A. M. (2006). Antecedents and consequences of employee engagement. *Journal of Managerial Psychology*, 21(7), 600-619.
- Santos, J. R. A. (1999). Cronbach's alpha: A tool for assessing the reliability of scales. *Journal of Extension*, 37(2).
- Schaufeli, W. B., & Bakker, A. B. (2003). *UWES - Utrecht Work Engagement Scale: Test manual. unpublished manuscript, department of psychology, Utrecht University.*
- Schaufeli, W. B., Bakker, A. B., & Van Rhenen, W. (2009). How changes in job demands and resources predict burnout, work engagement, and sickness absenteeism. *Journal of Organizational Behavior*, 30(7), 893-917.
- Schaufeli, W. B., Salanova, M., González-romá, V., & Bakker, A. B. (2002). The measurement of engagement and burnout: A two sample confirmatory factor analytic approach. *Journal of Happiness Studies*, 3(1), 71-92.

-
- Senge, P. (1990). *The Fifth Discipline: The art and practice of the learning organization* (1st ed.). New York: Currency Doubleday.
- Spector, P. E. (1994). Using self-report questionnaires in OB research: A comment on the use of a controversial method. *Journal of Organizational Behavior*, 15(5), 385-392.
- Storm, K., & Rothmann, S. (2003). A psychometric analysis of the Utrecht work engagement scale in the South African police service. *SA Journal of Industrial Psychology*, 29(4), 62-70.
- Sujan, H., Weitz, B. A., & Kumar, N. (1994). Learning orientation, working smart, and effective selling. *Journal of Marketing*, 58(3), 39.
- Weeks, R. (2010). Organisational Culture: A Contemporary Management Perspective. *Acta Commercii*, 10, 43-58
- Xanthopoulou, D., Bakker, A. B., Demerouti, E., & Schaufeli, W. B. (2009). Work engagement and financial returns: A diary study on the role of job and personal resources. *Journal of Occupational and Organisational Psychology*, 82, 183-200.
- Zigarmi, D., Nimon, K., Houson, D., Witt, D., & Diehl, J. (2009). Beyond engagement: Toward a framework and operational definition for employee work passion. *Human Resource Development Review*, 8(3), 300-326.
- Zikmund, W. G. (2003). *Business research methods* (7th ed.). Ohio: South-Western Cengage Learning.

9. APPENDICIES

9.1. APPENDIX 1: DEMOGRAPHIC DATA FOR BOTH ORGANISATIONS.

Table 1: Demographic breakdown of the respondents to the survey from both organisations.

	Organisation A	Organisation B
Surveys completed as % of total staff	39%	41%
Male	41.4%	16.7%
Female	58.6%	83.3%

Table 2: Summary of the length of service for members of staff surveyed in both Organisations.

Length of Service	Organisation A	Organisation B
Less than 6 months	20.7%	22.5%
6 – 12 months	13.8%	16.7%
1 - 2 years	10.3%	14.7%
2 – 5 years	31.0%	20.6%
More than 5 years:	24.1%	25.5%

Table 3: Summary of length of service for members of staff surveyed in both Organisations.

Length of service in previous position	Organisation A	Organisation B
Didn't work previously in the company	41.4%	54.9%
Less than 6 months:	13.8%	2.9%
6 – 12 months:	10.3%	2.0%

Table 4: Summary of Job Level and Department in which Employees are employed for both Organisations.

Job Level	Organisation A	Organisation B
Consultant / Account or Sales representative	69.0%	85.3%
Middle Management	17.2%	8.8%
Senior / Executive Management	13.8%	5.9%
DEPARTMENT IN WHICH EMPLOYED		
Administration	31.0%	47.1%
Finance Office	3.4%	-
Sales	37.9%	52.9%
IT & Infrastructure	27.6%	-

9.2. APPENDIX 2: CONSENT AND QUESTIONNAIRES

Thank you for your willingness to participate in my Research Study. The purpose of this study is to determine the extent to which a measurement of an organisation's learning culture influences the engagement of the employees. There is very little documented research regarding the relationship between an organisations' learning culture and the engagement of the employee. This research will help to close that gap.

This study is part of the requirements to complete the Master of Business Administration (MBA) degree from the Gordon Institute of Business Science.

The questionnaire should not take you more than 20 minutes to complete, and your responses will remain confidential as well as anonymous. All of the responses will be aggregated to gain an overall picture of the organisation's learning culture and the engagement of its employees. The items in the questionnaire originate from well-known global methodologies. It is important that you answer all of the questions to maintain the integrity of the instruments.

If you have any concerns or questions please contact me or my supervisor. Our details are provided below.

PLEASE CLICK ON THE THIS LINK TO ACCESS THE SURVEY. THANK YOU
ONCE AGAIN FOR TAKING PART

LEARNING ORGANISATION CULTURE SURVEY

(Garvin et al., 2008)

For each of the following questions, please refer to the unit you work in. All questions in this survey will refer to this unit.

Please respond to each item in terms of how descriptive it is of the unit that you work in, using the following scale:

Highly inaccurate / Moderately inaccurate / Slightly inaccurate / Neither accurate nor inaccurate / Slightly accurate / Moderately accurate / Highly accurate

1. In this unit, it is easy to speak up about what is on your mind.
2. If you make a mistake in this unit, it is often held against you.
3. People in this unit are usually comfortable talking about problems and disagreements
4. People in this unit are eager to share information about what doesn't work as well as to share information about what does work.
5. Keeping your cards close to your chest is the best way to get ahead in this unit.
6. Differences in opinion are welcomed in this unit.
7. Unless an opinion is consistent with what most people in this unit believe, it won't be valued.
8. This unit tends to handle differences of opinion privately or off-line rather than

addressing them directly as a group.

9. In this unit, people are open to alternative ways of getting work done.
10. In this unit, people value new ideas.
11. Unless an idea has been around for a long time, no one in this unit wants to hear it.
12. In this unit, people are interested in better ways of doing things.
13. In this unit, people often resist untried approaches.
14. People in this unit are overly stressed.
15. Despite the workload, people in this unit find time to review how the work is going.
16. In this unit, schedule pressure gets in the way of doing a good job.
17. In this unit, people are too busy to invest time in improvement.
18. There is simply no time for reflection in this unit.
19. This unit experiments frequently with new ways of working.
20. This unit experiments frequently with new product service offerings.
21. This unit has a formal process for conducting and evaluating experiments or new ideas.
22. This unit frequently employs prototypes or simulations when trying out new ideas.
23. This unit systematically collects information on:
 - a. competitors
 - b. customers
 - c. economic and social trends
 - d. technological trends
24. This unit frequently compares its performance to:
 - a. competitors
 - b. best-in-class organizations
25. This unit engages in productive conflict and debate during discussions.
26. This unit seeks out dissenting views during discussions.

27. This unit never revisits well-established perspectives during discussions.
28. In this unit, we frequently identify and discuss underling assumptions that might affect key decisions.
29. This unit never pays attention to different views during discussions.
30. Newly hired employees in this unit receive adequate training.
31. Experienced employees in this unit receive periodic training, updating
32. Experienced employees in this unit receive training when shifting to a new position
33. Experienced employees in this unit receive training when new initiatives are launched
34. In this unit, training is valued.
35. In this unit, time is made available for education and training activities.
36. This unit has forums for meeting with and learning from:
 - a. experts from other departments teams divisions
 - b. experts from outside the organization
 - c. customers. clients
 - d. suppliers
37. This unit regularly shares information with networks of experts within the organization
38. This unit regularly shares information with networks of experts outside the organization
39. This unit quickly and accurately conveys new knowledge to key decision makers.
40. This unit regularly conducts post-audits and after-action reviews.

41. Please respond to each item in terms of how descriptive it is of the manager(s) to whom you report,using the following scale:
Never / Infrequently / Sometimes / Often / Always
 1. My manager(s) invite(s) input from others in discussions.
 2. My manager(s) acknowledge(s) hisher own limitations with respect to

knowledge,
information, or expertise.

3. My manager(s) ask(s) probing questions.
4. My manager(s) listen(s) attentively.
5. My manager(s) encourage(s) multiple points of view.
6. My manager(s) establish(es) forums for and provide(s) time and resources for identifying problems and organizational challenges
7. My manager(s) establish(es) forums for and provide(s) time and resources for reflecting and improving on past performance
8. My manager(s) criticize(s) views different from his/her own.

DEMOGRAPHIC DATA

1. Length of service at current organisation – (0-6 months) (6-12 months) (1-2 years) (2-5 years) (more than 5 years)
2. Length of service in current position - (0-6 months) (6-12 months) (1-2 years) (2-5 years) (more than 5 years)
3. Length of service in previous position within the organisation - (0-6 months) (6-12 months) (1-2 years) (2-5 years) (more than 5 years)
4. Job Level (Consultant / Account / Relationship Manager) / (Middle Management) (Senior / Executive Management)
5. Department in which you work (Administration) (Finance) (Sales) (IT and infrastructure)
6. Male / Female

Employee Engagement Survey

Work & Well-being Survey (UWES) ©

The following 17 statements are about how you feel at work. Please read each statement carefully and decide if you ever feel this way about your job. If you have never had this feeling, cross the "0" (zero) in the space after the statement. If you have had this feeling, indicate how often you feel it by crossing the number (from 1 to 6) that best describes how frequently you feel that way.

	Almost never	Rarely	Sometimes	Often	Very often	Always
0	1	2	3	4	5	6
Never	A few times a year or less	Once a month or less	A few times a month	Once a week	A few times a week	Every day

1. _____ At my work, I feel bursting with energy
2. _____ I find the work that I do full of meaning and purpose
3. _____ Time flies when I'm working
4. _____ At my job, I feel strong and vigorous
5. _____ I am enthusiastic about my job
6. _____ When I am working, I forget everything else around me
7. _____ My job inspires me
8. _____ When I get up in the morning, I feel like going to work
9. _____ I feel happy when I am working intensely
10. _____ I am proud of the work that I do
11. _____ I am immersed in my work
12. _____ I can continue working for very long periods at a time
13. _____ To me, my job is challenging
14. _____ I get carried away when I'm working
15. _____ At my job, I am very resilient, mentally
16. _____ It is difficult to detach myself from my job
17. _____ At my work I always persevere, even when things do not go well

© Schaufeli & Bakker (2003). The Utrecht Work Engagement Scale is free for use for non-commercial scientific research. Commercial and/or non-scientific use is prohibited, unless previous written permission is granted by the authors

9.3. APPENDIX 3: CONSISTENCY MATRIX

TITLE: Does a Learning Orientation Culture influence the performance of two sales oriented call centres in South Africa – A comparative study.

Propositions/ Questions / Hypotheses	Literature Review	Data Collection Tool	Analysis
Research Question 1 To what extent does a learning orientation differ between organisations operating within the same industry sector.	(Garvin et al., 2008)	Learning Organisation Culture survey	Student t-test / Mann-Whitney Test
Research Question 2 To what extent does Employee Engagement differ between two organisations operating within the same industry sector?	(W. B. Schaufeli & Bakker, 2003)	(UWES) Utrecht Work Engagement Scale	Student t-test / Mann-Whitney Test
Research Question 3 To determine whether a higher Learning Organisation Culture correlates with higher levels of Employee Engagement.	(Garvin et al., 2008) (W. B. Schaufeli & Bakker, 2003)	Learning Organisation Culture survey (UWES) Utrecht Work Engagement Scale	Pearson Correlation
Research Question 4 To determine whether different business units within an organisation displays differences with respect to Learning Organisation Culture.	(Garvin et al., 2008) (Cegarra-Navarro & Rodrigo-Moya, 2007)	Learning Organisation Culture survey	Student t-test / Mann-Whitney Test
Research Question 5 To determine whether different business units within an organisation display differences with respect to Employee Engagement.	(Harter et al., 2002) (W. B. Schaufeli & Bakker, 2003)	UWES) Utrecht Work Engagement Scale	Student t-test / Mann-Whitney Test