

# Impact of learning organization on job satisfaction: an empirical study of telecommunication companies of Pakistan

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## Keywords

Learning Organization, Job Satisfaction, Empirical Study, Telecommunication, Pakistan.

## Abstract

*Although learning organization theory and practice have been clarified by practitioners and scholars over the past several years, there is much to be explored regarding interactions between learning organization and employee Job satisfaction which ultimately decreases the scope of employee's intentions to leave their job. The motive behind this study is to examine the relationship of learning organization, job satisfaction, and employee's tendency to leave the company. Learning Organization construct is measured on seven different dimensions. This study includes three research questions. Response from 300 hierarchical level employees is gathered through structured questionnaire with a sample of employees of Telecommunication companies (Mobilink, Telenor, Ufone, Warid and Zong) of Pakistan. Mean, standard deviation and regression is used for the purpose of analyzing the data. Findings revealed a positive relationship between learning organization variables and job satisfaction. Limitations and future research areas are also given at the end of the study.*

## Introduction

With the current expansion of the global economy and the fast-changing evolution of technology and innovation, organizations are facing an ongoing need for employee learning and development. As knowledge increasingly becomes a key factor for productivity, it has also become a currency for competitive success (Swanson & Holten, 2001). The learning capability of an organization can influence the types and numbers of learning-related events and employee job satisfaction as well as employee turnover intention (Egan et al., 2004).

HRD has extended beyond a narrow concentration on training to include organizational and systems-level issues that influence the development of broad skill sets, abilities, and knowledge associated with learning in technical, social, and interpersonal areas (Kuchinke, 1996). This broadening perspective regarding HRD has led, in part, to a focus on learning organization culture. Researchers are in the relatively early stages of exploring learning organization constructs and developing measurement approaches (Watkins & Marsick, 2003). These early studies and adoption of learning organization principles in practice have led to growing interest regarding interactions between learning organization culture and employee's perception.

### Problem Statement

Learning is the prime source of survival for any organization regardless of its structure and size, yet a very few studies have been conducted in the Pakistan that analyses whether the companies operating in Pakistan are Learning Organizations or not? And if they are, what will be the impact on job satisfaction of employees? The degree of Learning Organization (LO) varies from industry to industry. As learning is imperative to augment the value of a product or service hence, the extent of Job satisfaction depends heavily on the capacity of an organization to learn. This paper is subjected to bridge the gap that explores the causal relation of LO on Job satisfaction.

## Research Questions

RQ1: Are Telecommunication Organizations Operating in the vicinity of Pakistan are Learning Organizations?

RQ2: Does LO positively affects Job Satisfaction?

RQ3: Does Job satisfaction and Turnover intention are negatively related?

### **Purpose and Significance of the Study**

This is a multipurpose study which not only identifies the current learning organization status of telecommunication companies but also establishes the impact that learning organization culture has on employees' job satisfaction. The management of the companies can explore the deficiencies embedded in their routines, procedures and rules with respect to the dimensions of learning organization proposed in this study which will ultimately enhance the employees' job satisfaction level and assuage their orientation towards leaving the company.

### **Literature Review**

#### **Learning Organization**

A learning organization is viewed as the one that has the capacity for integrating people and structure to move an organization in the direction of continuous learning and change. Organizations that have prioritized learning and development have found increases in employees' job satisfaction, productivity, and profitability (Watkins & Marsick, 2003). According to Watkins & Marsick (1993, 1996) there are three levels organizational learning. The first is the individual level, which is composed of two dimensions of organizational learning: continuous learning and dialogue and inquiry. The second is the team or group level, which is reflected by team learning and collaboration. The third is the organizational level which has four dimensions of learning organization: embedded systems, system connections, empowerment, and provide leadership for learning.

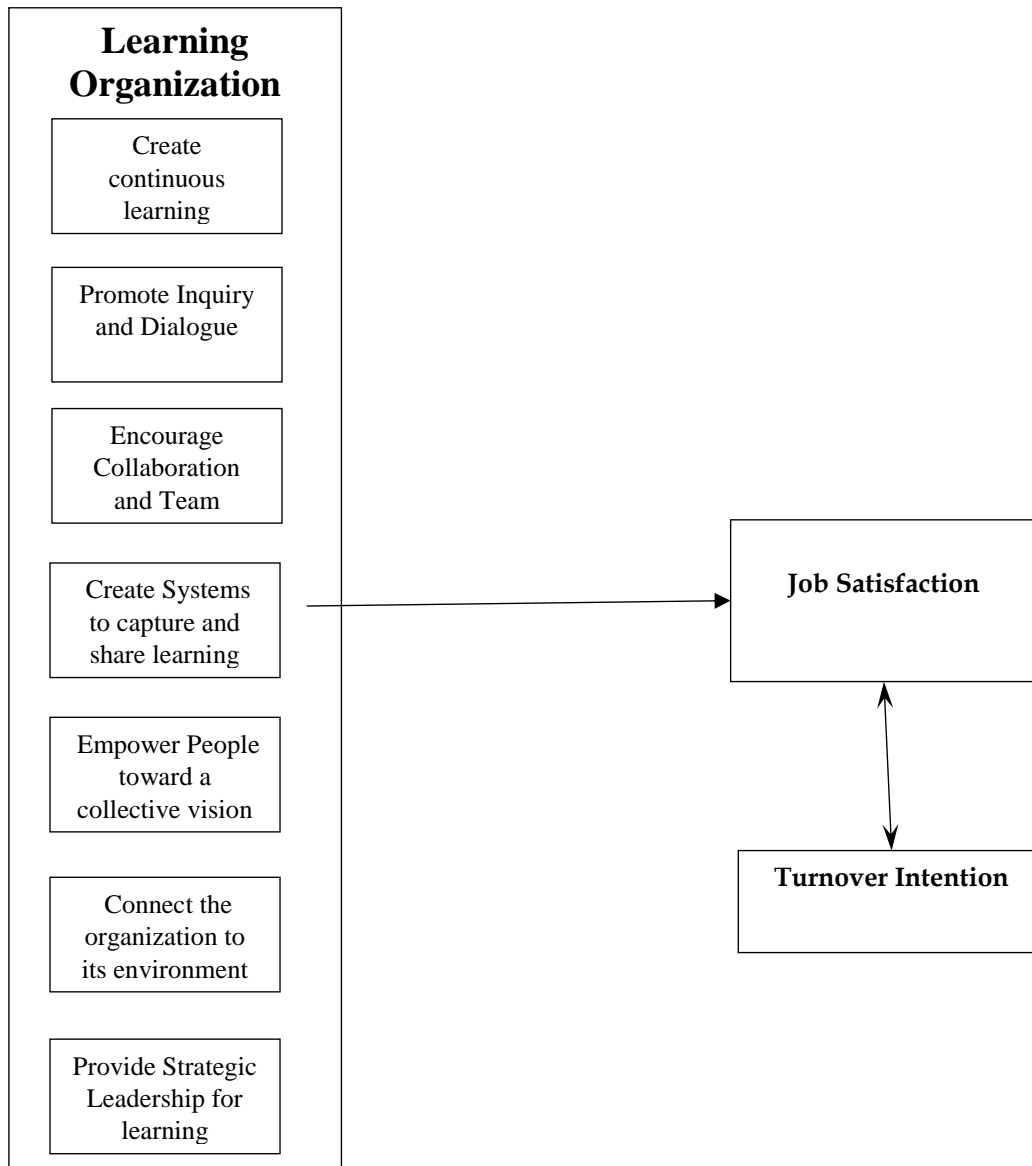
#### **Job satisfaction**

Job satisfaction is typically defined as an employee's affective reactions to a job based on comparing desired outcomes with actual outcomes (Cranny et al., 1992). Job satisfaction is generally recognized as a multifaceted construct that includes both intrinsic and extrinsic job elements (Howard & Frick, 1996). Porter & Steers (1973) argued that the extent of employee job satisfaction reflected the cumulative level of met worker expectations. That is, employees expect their job to provide a mix of features (such as pay, promotion, or autonomy) for which each employee has certain preferential values.

#### **Turnover Intention**

Turnover intention is defined as a conscious and deliberate willingness to leave the organization (Tett & Meyer, 1993). In the development of the behavioral intention's literature Fishbein & Ajzen (1975) developed a reasoned action model that identified the best single predictor of individual behavior to be a measure of reported intention to perform that behavior. Highlighting turnover intention as a key element in the modeling of employee turnover behavior, scholars have determined that behavioral intentions are the single best predictor of turnover (Lee & Mowday, 1987). Job satisfaction has been found to have an inverse relationship to turnover intention (Trevor, 2001).

## Theoretical Framework



## Hypothesis

*H<sub>1</sub>: Telecommunication organizations operating in Pakistan are Learning Organizations.*

*H<sub>2</sub>: Learning organization has a positive impact on Job Satisfaction.*

*H<sub>3</sub>: Job Satisfaction and Turnover intention is negatively correlated.*

## Methodology

## Population

Target population for this survey includes a total of 5 Telecommunication companies (Mobilink, Telenor, Ufone, Zong and Warid) of Pakistan. Due to limited resources and time, the population is geographically restricted only up to twin cities (Rawalpindi & Islamabad) of Pakistan.

### Sampling Technique

Non-Probability convenient sampling technique is used to ascertain the sample for the study.

### Sample Size

Initially 500 questionnaires were distributed in the firms. Anticipatory response rate is 75%. A sample size of 321, which included employees of all levels working in these companies of twin cities, was selected which is large enough to represent the entire population. Sample size is based on the Sekaran (2003) calculated sample size for a given population which states that for a population of 10000, 321 sample size is sufficient.

### Unit of Analysis

Individuals working in the Telecommunication companies in Pakistan taken as unit of analysis. Here individuals refer to the employees.

### Data Collection Technique

Data were collected through administered closed ended structured questionnaire which is a generic technique most widely used in gathering primary data Sekaran (2003).

### Research Instrument

Learning Organization culture is assessed with the Dimensions of Learning Organization Questionnaire (DLOQ) developed by Watkins & Marsick (1993, 2003). The seven dimensions in the DLOQ are measured by forty-three items on a five-point Likert-type scale. Respondents were asked to determine the extent to which each of the questions reflects their organization in the aspects of learning culture (1 = almost never; 5 = almost always).

Job Satisfaction is assessed with the three items related to job satisfaction from the Michigan Organizational Assessment Questionnaire (Cammann, et al, 1979). Respondents were asked to indicate their level of agreement on a five-point Likert-type scale (1 = strongly disagree to 5 = strongly agree).

Turnover intention was measured with three items adapted from Irving et al., (1997). Each item used a five point response scale that ranged from 1 (strongly disagree) to 5 (strongly agree).

Yang (2003) suggested that researchers who wanted to use the DLOQ as a diagnostic tool should use the full version of the instrument with 43 measurement items whereas for scholars who want to use the DLOQ as a research instrument to determine theoretical relationships of the learning organization culture and other variables the short version of the DLOQ with 21 measurement items is recommended. If a broad study is needed with a large number of variables where the main research interest is in understanding the complex relationships between a learning culture and a number of other organizational variables, researchers might want to include even fewer measurement items to assess the construct of a learning culture along with other assessment tools. One representative item for each of the seven dimensions has been identified to form a concise version of the DLOQ. These 7 items form a succinct measurement of a learning organization culture.

### Data Measurement

In order to evaluate the data, gathered through questionnaires, software SPSS 21 is used. Statistical tests such as Descriptive statistics, Linear Regression and Correlation are applied.

## Results & Discussion

### Demographic Analysis

The study respondents include 56% male and 44% female. Out of a total of 300 employees, 58.3% employees have their age between 18-30 years, 34% employees have their age between 30-45 years and 3.8% employees have their age above 45 years. 15% of the employees have work experience of less than a year, 40% of the employees have the work experience from 1-5 years, 42% of the employees have their work experience of 5-10 years and 3% of the employees have their work experience greater than 10 years.

### Reliability Statistic

The reliability of a research instrument concerns the extent to which the instrument yields the same results on repeated trials. Although unreliability is always present to a certain extent, there will generally be a good deal of consistency in the results of a quality instrument gathered at different times. The tendency toward consistency found in repeated measurements is referred to as reliability (Carmines & Zeller, 1979). The value of Cronbach Alpha greater than 0.7 is reliable. Therefore, Cronbach alpha was determined and for whole questionnaire (49 items), it is 0.773. This shows that the instrument is reliable and ready for further statistical analysis.

#### Correlation

Mean, Standard Deviation and the correlation between Job Satisfaction and Turnover Intention are presented in the Table 1 below. The table clearly shows that job satisfaction and turnover intention has significant negative correlation between them. The association between job satisfaction and turnover intention are:

Job satisfaction and turnover intention ( $r=0.243$ ,  $p=0.000$ ). This accepts the third research hypothesis which states that job satisfaction and turnover intention are negatively correlated.

Table 1: Correlation, Mean, SD

Variables	1	2
1. <b>Job Satisfaction</b>	1	(0.243)
2. <b>Turnover Intention</b>	(0.243)	1
<b>Mean</b>	2.248	2.39
<b>SD</b>	0.68	0.87

Correlation is significant at the 0.01 level (2-tailed). \*\*\* $P \geq 0.001$

Table 2: Regression Analysis

Independent Variable	$\beta$	t-values	R2	F-value	Sig
Individual Level	0.304	7.518	0.159	56.524	0.00
Team Level	0.342	8.96	0.212	80.282	0.00
Organizational Level	0.315	7.721	0.167	59.168	0.00

Dependent Variable: Job Satisfaction

The table above indicated that learning organization has a significant positive relationship with job satisfaction. The two constructs have significant positive betas ( $\beta=.304$ ,  $p \leq .001$ ;  $\beta=.342$ ,  $p \leq .001$ ;  $\beta=.315$ ,  $p \leq .001$ ) which means that if an organization is learning organization, its employees will be satisfied with their jobs. Table also shows that 15.9% variation in job satisfaction is explained by the independent variable i.e. learning organization at individual level. Similarly, 21.2% variation in job satisfaction is explained by the independent variable i.e. learning organization at Team/group level and in the same manner, 16.7% variation in job satisfaction is explained by the independent variable i.e. learning organization at organizational level. The above table also illustrates the regression model is significant at all three levels ( $f=56.524$ ,  $p < 0.05$ ;  $f=80.282$ ,  $p < 0.05$ ,  $f=59.168$ ,  $p < 0.05$ )

This accepts the second hypothesis H2 which states that learning organization (individual level, team/group level, organizational level) has a positive impact on job satisfaction.

Mean value of the learning organization construct came out to be 3.345 which is greater than 3 which accepts the first hypothesis H1 which states that telecommunication organizations operating in Pakistan (telenor, Ufone, Warid, Zong and Mobilink) are learning organizations.

## Conclusion

The study tested a conceptual model of the effects of learning organization culture on one outcome variable i.e job satisfaction. Overall the results of the linear regression were consistent with the hypotheses. To measure the job satisfaction, learning organization culture is a valid construct. The study suggests that job satisfaction at telecommunication companies of Pakistan is associated with learning organization culture and job satisfaction and turnover intention construct are negatively correlated. One of the major theoretical implication comes from the findings that confirms that learning organizational culture is a valid construct and has a significant impact on job satisfaction. Although future studies are needed to confirm and extend the findings of the study which are aligned with the research and emerging theory which identifies a positive contributions of learning organization culture on employee and organizational success (Watkins & Marsick, 2003). The finding of the study and that of Ellinger et al. (2002) suggested the benefits of organization learning culture beyond organizational level performance to include positive implications at the individual level.

This study will provide an insight for HRD managers and researchers in understanding the relationship between organizational learning culture on job satisfaction and a positive correlation between job satisfaction and turnover intention.

### Limitations and Future Research Areas

Due to the money and time constraints, it was not possible to conduct a detailed research including all other variables so in future, many other variables can be included to undertake the research. The sample size for the study includes only the telecommunication organizations in Rawalpindi and Islamabad which limits its generalizability, future research can be done including other organizations as well. In addition to it, cross-cultural research can also be conducted.

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