

## **Impact of Employees' Behavior on Organizational Learning: Moderating Role of Knowledge Management**

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### **Abstract**

*The aim of this study was to empirically examine the association among employee's behaviour and organizational learning and also to investigate the moderating effect of knowledge management in this relationship. The research empirically examines the above-mentioned association patterns through a self-administered survey method. Results specify that there exist relationship patterns between employee's behavior and organizational learning. Additionally, present research offers empirical proof of the factors, supporting the association pattern of employee's behavior with organizational learning as well as the association pattern of employee's behavior and knowledge management with organizational learning. Present study adds to knowledge that employee behavior and knowledge management are necessary condition for organizational learning. Findings indicate that employee behavior increases organizational learning. Further to this the relationship of employee behavior and organizational learning becomes strong after the introduction of knowledge management. The study's findings are useful to practitioners and managers involved in the strategy formulation procedure of schools/businesses. Present study also addresses a vital literature gap, by testing the probable association patterns among employee's behavior and organizational learning. Additionally, research also introduces the association pattern of employee's behavior with organizational learning, and the association pattern of employee's behaviour, knowledge management and organizational learning that till now were mainly overlooked by the present literature in the area of education.*

**Keywords:** Employee's Behaviour, Organizational Learning, Knowledge Management, Schools, Teachers

### **1. Introduction**

Competition has increased tremendously due to globalization; organizations need to manage their EB and leadership behavior towards ensuring a healthy OL environment through effective management of their organizational knowledge. It has been observed in private colleges of Azad Jammu and Kashmir that colleges are lacking healthy OL environments.

Multiple factors are contributing towards poor OL environment in these institutions. The problem of poor OL environment is the subject of present study. The study investigated this problem with respect to EB, their roles and the role of effective KM.

Managing people in present world is a difficult task but leader's job is still the same-to motivate, inspire and influence employees effectively. Today's competitive and global environment leaders' responsibility is not enough to manage employees but also to provide a healthy learning environment. The success of organization depends on the employees behavior that how their behavior influences organization to develop a learning environment. Organization strives now in competitive and fast changing environment need the employees who know how to learn and quickly response to the new challenges (York, 1991). Difficulty is increasing in today's working environment due to complex range of social, demographic and technological changes as well as the idea makes working a person added challenging compared to ever. Employee's behavior covers all these aspects related to workers. Relationship studied in this research can help organizations to manage all these complexities and changes effectively. The purpose of this research is to develop and analyze the relationship between employee behavior (EB), and OL (OL) and also examine the moderating role of KM (KM). This study was focused to manage EB successfully and create learning environment by managing organizational knowledge.

Managing knowledge effectively is an important element of creating learning environment in organization. Mostly organization does not give importance to KM. However, this study reveals that KM is helpful for private colleges to create and improve strong learning environment. KM also influence EB and helps organizations to manage EB to develop a learning and innovative environment. The relationship studied in this research explains how organizations manage EB through organizational KM to develop a learning organizational environment. The key objectives of this study were; i) To find out the relationship between EB and OL, ii) To check the moderating effect of KM on the relationship between employee's behavior and OL.

## **2. Literature Review**

Behaviour of an Employee can be defined as a worker's response to a specific condition at office. Workers required behaving wisely at office not only to get respect and appreciation from others but also to keep a strong work environment. Employees' are required to follow the procedures and principles of workplace. As most of the researchers have paid attention to behavior of staff in the same global perspective with regard to learning. In addition to few studies concerning how the actual aspects regarding employee's behavior will probably vary with its relation to job satisfaction. In the same way well-known study from Frone, Yardley, as well as Markel (1997), prior research typically provides related outcomes like employment satisfaction that has a one global measure connected with company learning.

Many recent studies have reviewed relation between two variables i.e. EB and OL. Organizational practitioners have paid more attention in order to employee commitment. It actually receive interest because of trust along with verification. This can find in addition to producing learning environment to help which has loyal employees (Locke & Latham, 1990; Meyer & Allen, 1997; Pinder, 1998).

High level commitment incorporates psychological attachment to be able to work, incorporating commitment improves understanding of behaviors, this can improve organizational learning environment. Commitment can be a strength which binds an employee in order to a good course associated with action; this is regarded critical to help achieve the specific aim (Meyer & Herscovitch, 2001). The greatest developments throughout commitment theory from the past three decades have been your own gratitude. The thought commitment (a) can acquire diverse shapes (Becker & Billings, 1993; Jaros, Jermier, Koehler, & Sincich, 1993; Meyer & Allen, 1991; O'Reilly & Chatman, 1986) as well as (b) is usually directed in the direction of several targets, as well as concentrations (Becker et al., 1996; Cohen, 2003; Reichers, 1985).

OL is a system of learning in which organizations can have an effect on their instant employees and stakeholders, also organizations can transmit knowledge further through organizational history approach and customs and by not only transmitting the information by combing the total effect of every employee's learning experiences but can go beyond it (Lawrence & Dyer, 1983). Researchers in the field of organizational behaviour have recognized three aspects of OL, i.e., coaching, mentoring and training. The aspects considered are similar with the aspects taken in the study of Shaw and Fairhurst (2010). A learning-oriented worker can be source of creativity and can devise new methods for solving a problem through the course of cooperating with the teams so as to improve and ensure the understanding of individual achievement objective.

The researchers also suggested that it is simpler for a learning-oriented employee to create a creative environment, that focuses the development and learning of its own and other individuals, inspires the creation of fresh knowledge, disseminates and converts the knowledge for the practice to the enhancement of the group's accomplishments so as to improve the organizational performance (Tsai & Chen, 2010). Another study conducted among sellers in the knowledge based industry comprising high-tech firms and employees, manufacturer services as sample and concluded that OL has a considerably positive effect on EB, sharing knowledge and creating innovative products (Lee, Wu, Ay, & Tu, 2007). Therefore, a hypothesis was proposed in this study as follows.

**H<sub>1</sub>: Employees' behavior has a significantly positive influence on Organizational learning.**

KM process has many frameworks but three are most studied in literature; knowledge generation, knowledge sharing and knowledge utilization. Knowledge sharing describes the activities that acquire and accumulate the knowledge inside and outside of the organizations (Devenport & Prusak, 1998). Knowledge sharing involves the distribution and transfer of knowledge from individual to individual, persons to groups or from group to group (Devenport & Prusak, 1998). Knowledge utilization means use of knowledge, implementation of knowledge and application of knowledge that is shared among individuals and groups, knowledge sharing process leading towards the actual and real application of knowledge (Gold et. al, 2001).

Knowledge helps organization to develop and maintain a competitive ability in an unstable changing environment. KM considered as managed knowledge within an organization (Prieto, 2000; Vera & Crossan, 2003). Knowledge is seen as a strategic asset. Asset of an organization that are knowledge based and OL capabilities helps organization to improve innovative activities (Jantunen, 2005). Aim behind KM is getting people to act in a team work environments, people work to use the high quality knowledge to increase innovation and make correct decisions efficiently (June, 2005).

KM is knowledge sharing process, tacit knowledge is important and fundamental to the organization and it is only managed and used when it is shared (Bukowitz & Williams, 1999). Most knowledge is initially tacit in nature and it is converted into explicit knowledge with the passage of time and through errors and experience (O' Dell & Grayson, 1998). KM makes an organization to act intelligently through the organization of business knowledge which can increase the series of organization performance features (Wiig, 1993).

KM is not a new association, in this process organization try to connect and combine the internal process and resources that includes the various movements such as total quality management, expert system, learning organization, fundamental capabilities and policy emphasis (Shukla, 1997). KM evaluating the assets of organization that provide information, KM is an accumulating and integrating approach of recognizing, collecting, distributing and evaluating the knowledge. Assets that provide information include data bases, documents, policies and procedures as well as tacit expertise and experience that individuals have in their worker's heads (Gartner Group, 1999).

OL is continuous process of capturing information from environment by interacting with environment (Hong, 1999). OL directly related to knowledge, the constructs if information and knowledge is used interchangeably for learning. More OL occurs when every employee and section of organization obtains knowledge and used knowledge on right time at right place and makes it potentially useful (Huber, 1991). Researchers have agreed that OL play an important role in KM. OL can either be a positively or negatively affect it may be facilitator or barrier to KM (De Long & Fahe, 2000; Grover & Davenport, 2001; Ruppel & Harrington, 2001). In recently, a new measurement variable for OL is appear i.e. Information quality, this means accurate, clear, relevant, easily applicable information and should be useful for OL (Eppler, 2003).

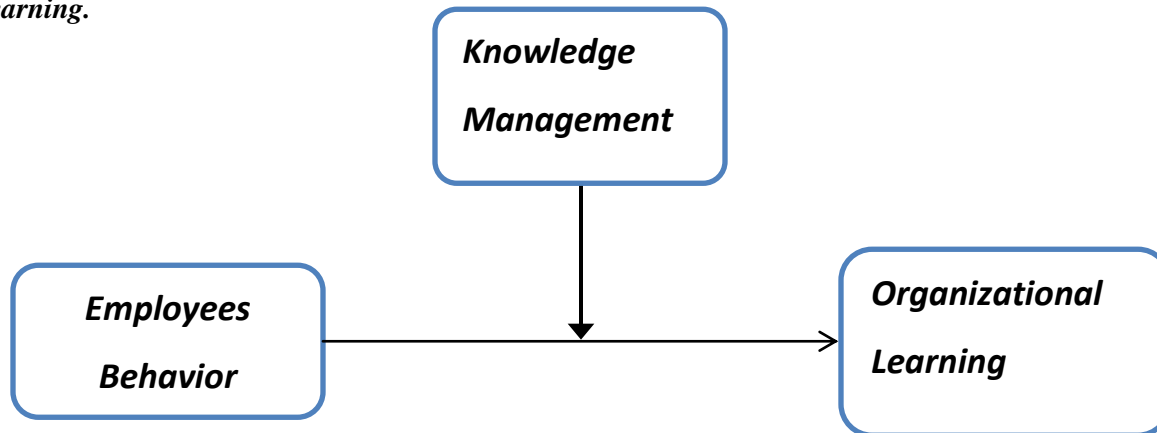
Knowledge has immense impact in OL, most researchers would have the same opinion with definition of OL, as a knowledge work as a function of experience and change in organization's knowledge is OL (Fiol & Lyles, 1985). Knowledge can appear itself in changes in behavior and it can include both tacit and explicit knowledge. Knowledge could be arising from different ways and from different repositories including individual's experience, routines work and from different memory systems (Cook & Brown, 1999; Ortikowski, 2002). In organizations knowledge is very complex and challenging concept to define, explain, analyze and measure (Hargadon & Fanelli, 2002).

Some scholars views OL as a process, a cognitive entity, that open out over time. Some believe that changes in individual behavior are cause of OL (Fiol & lyles, 1985). Some said that innovation that brings different ways of thinking is source of OL (Hubber, 1991). Senge (1990, 1992) said that shared values, vision, modals, knowledge and giving authority to employees to make decision in solving problems brings OL.

Some researchers measure the organization knowledge by measures changing behavior and cognition of employees' members of organization (Huff & Jenkins, 2002; McGrath, 2001). OL activities appear when individual understand knowledge and better knowledge is available to organization (Fiol&lyles, 1985). Individual who works in organization acts and learned from organizational framework (March &Oken, 1976; Hedberg, 1981; Dodgson, 1993). The agents those brings OL are the members of organization or workers of organization. Individual learning is the source of OL. Individual are the main learning body of an organization and individual made the organization structure capable of learning in ways which facilitate organization transformation (Dodgson, 1993). OL is possible in organization where the structure of organization is flexible and easily adaptable to environmental changes, in uncertain and changing environment only those individuals and organization viable who depend on ability to learn (Edmondson & Moingeon, 1998).

Based on above literature we can draw following hypothesis:

**H<sub>2</sub>:** *Knowledge Management moderates the relationship between Employee's Behavior and Organizational Learning.*



### 3. Methodology

Research methods or design is a defined or clear, strategy or plan exploited to attain results for a research question (Johnson & Christensen, 2004). A number of this sort of designs exists for a variety of analytical purposes (Hancock, 2002; Myers, 2007; Tellis, 1997). Population in the research consists of all teachers working in private colleges of Kolti AJK. About 800 teachers working in private colleges of Kotli AJK were contacted as participants.

This investigative study was based on field investigation as participants i.e. teachers of private colleges have been get in touched with on job and they completed questionnaires in usual occupation environment. A questionnaire based empirical study was carried out for the research. Private colleges of Kotli AJK were targeted and the reason for this selection was the rapid growth in the Privates Colleges in Kotli AJK in the last ten years. A total of 280 filled questionnaires were received and after the evaluation of these questionnaires only 255 were being found correct. So the total response rate was 31.8 percent approximately.

A five point Likert scale was used in the study ranging from strongly agree = 5, to strongly disagree = 1. Employee's behavior items were taken from Burstein, Sohal & Zyngier, (2010). Items used to measure Employee's behavior were seven. OL was measured using five dimensions scale by Marsick & Karen (2003). Complete items tend to be 7. Over all Cronbach's alpha is .952.

The research instrument contained four sections. First section contains demographic information of the respondents, second section consists of items related to employee's behavior, third section is all about OL and final section was KM. Data were analysed through SPSS using correlation and regression analysis.

**4. Results and Discussions**

The descriptive statistics for the sample study are given in table 2.

**Table 1: Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
<b>Employees Behavior</b>	255	1.00	5.00	4.2168	.55529
<b>OL</b>	255	1.00	5.00	4.5529	.56412
<b>KM</b>	255	1.00	5.00	4.6112	.49574

To find the relationship between two or more variables is considered an important factor in researches of social sciences. The variables are manipulated and relationship between them is sought out. The correlation is a statistical technique use to determine whether the relationship between variable exists. Correlation will certainly vary through +1 to -1, correlation near to +1 specify a positive strong relationship, and correlation near to -1 specify a negative strong correlation. In the present study simple correlation analysis by using Pearson Product correlation was used to measure the association between variables. The table below shows relationship among variables

**Table 2: Correlation Analysis**

EB	Pearson Correlation	1		
	Sig. (2-tailed)			
	N			
OL	Pearson Correlation	.716**	.774**	1
	Sig. (2-tailed)			
	N			

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Employees behavior have positive and significant relationship with OL( $r=.716$ ,  $p<0.01$ ) in private colleges. This assessment reveals that there subsists constructive and significant association between employee’s behavior and OL in private colleges.

Moderation analysis is used to find out whether the relationship between two variables depends on (is moderated by) the value of a third variable.

**Table 3: Moderating role of KM between relationship of EB and OL**

Predictor	OL	$R^2$	$\Delta R^2$
	□		
<b>Predictor</b>			
<b>EB</b>	.747	.103	.109
<b>KM</b>	.978		
<b>EB* KM</b>	.941**	.931	.823

\*Significance level is  $\leq .005$

The above table presents results regarding whether KM moderates the relationship between EB and OL or not. The value of □ indicates that KM moderates the relationship between EB and OL ( $\beta =.941$ ,  $p > 0.005$ ). Consequently our hypothes is  $H_2$  “KM moderates relationship between EB and OL was supported.

## 5. Conclusions

The study was planned to settle on what type of relationship exists between employee's behavior and OL and how KM moderates their relationships. The results clearly indicate the existence of an optimistic relationship between employee's behavior and OL. The analysis also illustrates that all variables have an optimistic and direct relationship. From the results of research it is concluded that, learning process is continuous and is very important for success of any organization. Employee's behavior plays an important role in developing healthy OL environment. KM is gaining power in all developing and emergent organizations. From the results of present research it can be said that it is very essential for each organization to adopt KM to make employees more competitive than any other organization. Efficient KM by leaders provides opportunities to the employees to get more valuable information to develop learning environment in organization. Besides this, it also has great impact on OL. Due to KM workers become productive and can work without wasting time (Daniel, et al. 2006). So, it can be said that KM is a standard way to become a market leader in present era of learning and innovation.

The initial hypothesis was to check on whether or not employee's behavior will be positively correlated with the OL. The results indicate the variables connected with .716, which shows the results are significant and also the personnel behavior is usually straight or maybe positively related to ones OL. The significance level is .000, so hypothesis H1 was accepted.

The change in R square shows this relationship possesses moderated due positive value of .931 just like formerly the value of the relation was .109 hence the difference was .823 after introducing moderator. It shows how the KM is actually moderating relation between employee's behavior and OL.

In the light of this research as well as previous studies it is concluded that organizations need to focus on efficient management of employees behavior and knowledge to create a healthy learning environment. It is concluded from the research that OL is the most important for an organization and employees behavior greatly influence OL.

In today's dynamic and globally competitive environment organizations generally need high level of adaptability along with survival capability, so it is recommended that employees behavior should be dynamic to accept the changing environment to increase learning opportunities.

KM positively influences the employee's behavior to develop a learning environment in organization so managers should ensure KM. It is recommended that organization should ensure KM to their employees because KM has benefits not only for employees also for organizations. Organization should follow the process of sustain learning which is beneficial for the organization to become more creative and innovative. In present era of innovation, the survival of any organization resides in continuous learning and in the acceptance of new and latest knowledge.

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