# Comparative analysis of the organisational learning process in Slovenia, Croatia, and Malaysia

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## Abstract

Several empirical studies have proved that better organisational learning induces higher organisational performance. However, none of them addressed the issue of organisational learning process simultaneously in several countries. In our contribution, we aim to test differences in the way companies learn in Slovenia, Croatia, and Malaysia. We used the OLIMP questionnaire, a measurement instrument developed and tested by [Dimovski, V. (1994), Organisational learning and competitive advantage. PhD Thesis, Cleveland, Ohio; Dimovski, V., & Škerlavaj, M. (2005). Performance effects of organisational learning in a transitional economy. *Problems and Perspectives in Management 3(4)*, 56–67]. It employs three measurement variables (information acquisition, information interpretation, and behavioural and cognitive changes) as well as 38 items (presented in the paper) to measure the organisational learning construct. In autumn 2005 data from 203 Slovenian, 202 Croatian and 300 Malaysian companies were gathered. The results indicate that companies in all three countries under scrutiny are closest in terms of behavioural and cognitive changes, meaning that globalisation and other challenges of the modern business environment demand all of them to change and adapt quickly. However, the ways they are coping with these challenges are different. There are more similarities than dissimilarities between Slovenia and Croatia, while this is not the case when comparing both countries to Malaysia. When acquiring information, Slovenian and Croatian companies rely more on internal sources (own employees, past decisions, etc.), while Malaysian companies tend to rely more on external sources and more often have employees dedicated to searching for external information. When trying to interpret the information acquired, Slovenian and Croatian companies rely more on personal contacts, informal team meetings and believe that information given to subordinates must be simple and concise, while Malaysian companies tend to use more formal collective decision-making and written communication to understand the meaning of information.
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## 1. Introduction

Modern companies operate in a constantly varying and highly unstable business environment. There is a constant need for them to change and learn at individual, group, organisational and inter-organisational levels (Sanchez, 2005). Organisational learning is considered to be one of the most promising concepts in modern managerial litera-ture. According to de Geus, the 'ability to learn faster than your competitors might be the only sustainable competitive advantage you have' (De Geus, 1988). Indeed, extensive empirical research provided support for the notion that companies that manage their organisational learning pro-cesses better are also better-off in terms of financial and non-financial results (e.g. Bontis, Crossan, & Hulland, 2002; Jimenez-Jimenez & Cegarra-Navarro, 2007; Šker-lavaj & Dimovski, 2006; Škerlavaj, Indihar Štemberger, Škrinjar, & Dimovski, 2007). The list of studies that examine link organisational learning-organisational perfor-mance is extensive and they all found positive influence.

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However, none of them addressed organisational learning as the process dependent upon the context of national culture in which companies operate.

We aim to fill this gap in the literature by providing a cross-cultural comparison of organisational learning process in companies in three countries (two homogeneous and two heterogeneous). The research was simultaneously conducted in 2005 in Slovenia, Croatia and Malaysia in order to find an answer to the following research question: What are the differences and which are the similarities among Slovenia, Croatia and Malaysia in the way their companies learn? The organisational learning measurement instrument developed by Dimovski (1994), and Dimovski and Škerlavaj (2005). Data were gathered from the top and middle management representatives of companies with more than 50 employees.

The paper has five main sections. First, organisational learning process is defined and compared against knowledge management and learning organisation. Second, the constructs for its measurement are described in more detail. Third, the data gathering and sample descriptions are presented. Fourth, the data are analysed using an analysis of variance methodology. Finally, the implications of our findings from research as well as managerial standpoints are discussed, while the paper is concluded with a presentation of the limitations and some future research proposals.

## 2. The organisational learning field and definition

### 2.1. Organisational learning, knowledge management, and learning organisation

Organisational learning remains a very popular concept in the modern managerial literature. Yet it has often been confused with a few other concepts – most often with knowledge management and the learning organisation. The distinction between organisational learning and the learning organisation has been explained to the extent that organisational learning refers to the study of learning processes of, within and between organisations, largely from an academic point of view. On the other hand, the learning organisation has been considered as an entity – an ideal form of organisation which has the capacity to learn effectively and hence to prosper (Easterby-Smith & Lyles, 2003; Tsang, 1997). Besides the structure vs. process differentiation, the distinction between organisational learning and the learning organisation can also be seen from another perspective. While organisational learning has the propensity to be positive and descriptive, the idea of the learning organisation (Senge, 1990) tends to be normative, prescriptive in its nature and tries to provide organisations with a model to organise their systems, structures and processes in a way that leads towards improved organisational performance. On the other hand, the knowledge management literature has frequently adopted a technical approach to disseminating and lever-

aging knowledge in order to enhance organisational performance. Information-communication technologies are central to such discussions, even though knowledge management does extend beyond that and can be best defined as the process of creating value from an organisation's intangible assets (Liebowitz, 1999, 2000; Liebowitz & Beckman, 1998; from Liebowitz, 2001). Such an understanding of knowledge management goes beyond information and document management and emphasises several aspects which are also important for organisational learning process (e.g. knowledge sharing culture – see Škerlavaj et al., 2007 for the empirical study of organisational learning culture and performance). Hence, we consider organisational learning and knowledge management to be two sides of equally important coin. Organisational learning theoretically complements practicality of knowledge management and vice-versa.

### 2.2. Definitions of organisational learning

Despite and maybe even because of its importance, organisational learning has numerous definitions and there are many perspectives in the field. This is consistent with the findings of the few early authors. According to Shrivastava (1983), the vast majority of research in the area has been fragmentary and incomplete. To present just few of them, Senge (1990) defines organisational learning as 'a continuous testing of experience and its transformation into knowledge available to the whole organisation and relevant to their mission', while Huber (1991) sees it as a combination of four processes: information acquisition, information distribution, information interpretation and organisational memory. Argyris and Schön (1978) are even less restrictive in their definition, declaring that organisational learning emerges when organisations acquire information (knowledge, understanding, know-how, techniques and procedures) of any kind by any means. A more recent research has come to differentiate among information and knowledge by stating that information is patterned data and knowledge is capability to act (Liebowitz, 2001). Organisational learning process should then transform information into knowledge.

Jones (2000) emphasises the importance of organisational learning for organisational performance defining it as 'a process through which managers try to increase organisational members' capabilities in order to better understand and manage the organisation and its environment to accept decisions that increase organisational performance on a continuous basis' (Jones, 2000, p. 472), Dimovski (1994) provides an overview of previous research and identifies four perspectives on organisational learning. His model manages to merge informational, interpretational, strategic and behavioural approaches to organisational learning and defines it as a process of information acquisition, information interpretation and resulting behavioural and cognitive changes, which should, in turn, have an impact on organisational performance.