



INCOMaR 2013

Learning Organization and its Effect on Organizational Performance and Organizational Innovativeness: A Proposed Framework for Malaysian Public Institutions of Higher Education

Norashikin Hussein^{a,*}, Amnah Mohamad^b, Fauziah Noordin^a, Noormala Amir Ishak^b

^aFaculty of Business Management, Universiti Teknologi MARA, 40450 Shah Alam, Malaysia

^bArshad Ayub Graduate Business School, Universiti Teknologi MARA, 40450 Shah Alam, Malaysia

Abstract

The survival of today's public institutions of higher education (PIHE) depends on how these institutions accept changes, improve practices and competitiveness. Defined as an organization that facilitates learning of all its members, learning organization possesses certain characteristics to meet the ever-changing needs of the environment. With Malaysian PIHEs being major contributors in providing educational opportunities for students in the country, it is equally vital for PIHEs to adapt the learning orientation. Accordingly, this paper proposes that learning organization culture have direct effects on organizational performance and organizational innovativeness, potentially leading to long-term organizational success.

Keywords: learning organization; organizational performance; organizational effectiveness; public institutions of higher education (PIHE)

1. Introduction

Learning organization is defined as organization where people continually develop their capacity to achieve results they desire, whereby new patterns of thinking are nurtured, collective aspirations are freed and people learn to learn together (Senge, 1990). A more recent definition highlighted organizational learning, which is related to learning organization (Robelo & Gomes, 2011) as a process or capacity within organization which enables it to acquire, access and revise organizational memory thus providing directions for organizational action (Lin, 2008). In

* Norashikin Hussein. Tel.: +603-3258-5031
E-mail address: shikin6320@salam.uitm.edu.my