A Study on Organization Learning and Knowledge Management in Few Public Insurance Companies in Punjab

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Abstract

This study aims to review the current literature on Organization Learning and Knowledge Management, particularly in relation to development in the organizational framework in Insurance sector, also in order to map out the rationale and objectives of using Knowledge Management and Organizational Learning in this field.

The problem that lead to study Organization Learning and Knowledge Management is due to changing and competitive culture of organizations. Change therefore demands new Knowledge, new ways of strategic actions. That's why the organizations have to restructure their organisational culture which creates a foundation for continuous learning. In this way the concept of organization learning emerged. Thus, Organisation Learning motivates the culture and produce the Knowledge. Thus this paper endeavors to analyze the situation in 4 Public Insurance companies in and around Punjab.

Keywords*: knowledge management, organisational learning., public insurance companies, hierarchical levels, experience level*

INTRODUCTION

Learning and knowledge has become a prerequisite for every organization in the global economy. Therefore, the intellect of the human resource helps a firm to sustain in the competitive environment.

Organizational Learning denotes a change in organizational cognition. It helps to improve, transforms, and inculcate the organizational knowledge to the employees. Organizational learning has got attention from the belief that organizations are capable of intelligent behavior, and that learning is a tool for intelligence (Levitt and March, 1988). Organizational learning comprises of three interrelated i.e. creating, retaining and transferring knowledge among the members of the organization. The new knowledge is being created by learning from the past experiences (Argote, 2011). Whereas, *Chiva, Alegre and Lapiedra (2007*) has classified the organizational learning capability scale into 14 items grouped into five dimensions: experimentation, risk taking, interaction with the external environment, dialogue, and participative decision making.

Knowledge Management is concerned as a multi-disciplined approach to achieve the organizational goals by making the best use of knowledge. It

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focuses on creating, storing transferring and application of the knowledge among the employees of the organization.

Knowledge management and Organization Learning go hand-in-hand of every organization. Organization Learning is based on a systematic implementation of best practices throughout the entire organization.

REVIEW OF LITERATURE

Cook (1999) explored the link between knowledge management (KM) and organizational learning (OL) and has emphasized the significant role of training and development of the employees to make use of the available knowledge in the organization. Similarly, *Sanchez (2005*) has investigated several issues regarding the nature, domain, conceptual foundations, and practical challenges of knowledge management and organizational learning. He identified the two important dimensions -- the personal and organizational knowledge. He has further discussed the three essential organizational processes in knowledge management: (i) maintaining learning loops in all organizational processes, (ii) systematically disseminating knowledge throughout an organization, and (iii) applying knowledge wherever it can be used in an organization. A general model of organizational learning -- the Five Learning Cycles model -- is introduced to represent how individuals, groups, and the overall organization are linked in an organizational learning process. Whereas *Khandekar and Sharma (2006)* found that the organizational learning with a great extent gets influenced through human resource management activities, and has a positive relationship with the performance of the organization. *Wang and Ahmed (2003)* developed the conceptual framework of organizational learning and identified five focuses of the concept and practices, namely, focus on collectivity of individual learning; process or system; culture; knowledge management; and continuous improvement. Whereas *Kundu (2013)* has highlighted the concept of knowledge management's value, technologies and its implications, they emphasized that the goal of knowledge management is connecting people, processes and technology for the purpose of leveraging corporate knowledge. And *Zack and McKeen (2009)* discussed that the Knowledge Management practices directly impact the organizational performance which, in turn, is directly related to the financial performance.

NEED AND SIGNIFICANCE

The purpose of this study is to compare and link theoretical literature and hypothesis with research that together will build up a strategic proposal for how Organization Learning and Knowledge Management affects overall organization. The reason why Organization Learning and Knowledge

Management should be investigated is to build the intellectual capital of the organization. Therefore knowing that Organization Learning and Knowledge Management are not on individual level but as an organization as a whole. Finally this paper aims to contribute further knowledge of how employees make the best possible use out of Organization Learning and Knowledge Management.

RESEARCH METHODOLOGY

Research Design

The study is primarily based on Primary Data collected from the respondents from the few Public Insurance Companies in and around Punjab. The Primary data is supported by the Secondary data collected from various research articles, company websites and annual reports, internet, magazines, newspapers and other publications.

The research is non-experimental. Hypothesis and theories are compared thoroughly and related to each other. Information on the employees experience and cadre Level will be gathered through questionnaires and will be analysed and related to the theories that are highlighted from the literature review, in an attempt to explore the Organizational Learning and Knowledge Management further.

Territorial Scope: In Punjab, India

Objectives

1. To examine the association of Organizational Learning and Knowledge Management with socio-demographic variables.

    1.1 To study the association of Organizational Learning and Knowledge Management in the few selected Public Insurance Companies across Hierarchical levels.

    1.2 To study whether the level of Organizational Learning and Knowledge Management varies with the term of experience.

2. To find out the relationship between Organizational Learning and Knowledge Management in few Public Insurance Companies in Punjab.

Hypothesis

H_{01}: There is no significance association between Organizational Learning across Hierarchal level.

H_{02}: There is no significance association between Knowledge Management across Hierarchal level.

H_{03}: There is no significance association between Organizational Learning and the level of Experience of the employees of the few selected Public Insurance Companies.

H_{04} : There is no significance association between Knowledge Management and the level of Experience of the employees of the few selected Public Insurance Companies.

H_{05}: There is no significant relationship between Organizational Learning and Knowledge Management in the few selected Public Insurance Companies.

Sampling

Around 200 employees are selected using judgmental cum convenience sampling method from the few selected Public Insurance Companies in Punjab.

Data collection tool

Questionnaire is used as the investigation method for primary data collection in this project. The questionnaire is being taken from Training instruments in Human Resource Development by Udaik Pareek (2003) and thesis on Role of IT in enhancement of Knowledge Management Practices in Selected Small and Medium Enterprises of North India by Ritika (2012).

DATA COLLECTION PROCEDURE

Questionnaire is being used to collect the data. The different levels of Management Employees were contacted to get the questionnaire filled.

RESULTS AND ANALYSIS

The data collected has been analysed using descriptive statistics, Anova and Correlation tests.

Descriptive Statistics

Table1: Frequency distribution of the Experience of the respondents

EXPERIENCE					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-3years	40	20.0	20.0	20.0
	3.1-4years	41	20.5	20.5	40.5
	4.1-6years	30	15.0	15.0	55.5
	above 6years	89	44.5	44.5	100.0
	Total	200	100.0	100.0	

(Source: Developed by the Author)

Table1 shows the experience level of the employees. In the selected public insurance companies, the number of respondents with the experience of more than 6 years is 44.5 per cent, 15 per cent has an experience of 4.1-6 years, 20.5 per cent has an experience of 3.1-4 years, whereas 20 per cent has an experience of less than 3 years.

Table2: Frequency distribution of the Cadre of the respondents

CADRE		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	lower level	107	53.5	53.5	53.5
	middle level	68	34.0	34.0	87.5
	top level	25	12.5	12.5	100.0
	Total	200	100.0	100.0	

(Source: Developed by the Author)

Table2 shows cadre level of the respondents. 53.5 per cent of the respondents from the few selected public insurance falls in the lower level management, 34 per cent falls in the middle level management and 12.5 per cent are in the top level management.

The hypothesis are tested as below:-

H_{01}: There is no significance association between Organizational Learning across Hierarchal level.

Table3: Association between Organisational Learning and various cadres in the few selected public sector insurance companies.

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.112	1	1.112	1.289	.258[b]
	Residual	170.755	198	.862		
	Total	171.867	199			
a. Dependent Variable: Mean_OL						
b. Predictors: (Constant), CADRE						

(Source: Developed by the Author)

Table3 shows the linear regression's F-test, Sig. value came out to be 0.258 which is more than 0.05 (on 95 per cent confidence interval), thereby accepting the null hypothesis -there is no significance association between Organisational

Learning across Hierarchal level. This implies that Organizational Learning is not influenced by the Hierarchal level.

H_{02}: There is no significance association between Knowledge Management across Hierarchal level.

Table 4: Association between Knowledge Management across Hierarchal level

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.010	1	6.010	14.447	.000[b]
	Residual	82.371	198	.416		
	Total	88.381	199			
a. Dependent Variable: Mean_KM						
b. Predictors: (Constant), CADRE						

(Source: Developed by the Author)

Table4 shows the linear regression's F-test, Sig. value came out to be 0.00 which is less than 0.05 (on 95 per cent confidence interval), thereby rejecting the null hypothesis -there is no significance association between Knowledge Management across Hierarchal level. Hence Knowledge Management is influenced by the Hierarchal Level.

H_{03}: There is no significance association between Organizational Learning and the level of Experience of the employees of the few selected Public Insurance Companies.

Table 5 : Association between Organisational Learning and level of Experience of the employees

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.473	1	4.473	5.291	.022[b]
	Residual	167.394	198	.845		
	Total	171.867	199			
a. Dependent Variable: Mean_OL						
b. Predictors: (Constant), EXPERIENCE						

(Source: Developed by the Author)

Table 5 shows the linear regression's F-test, Sig. value came out to be 0.022 which is more than 0.05 (on 95 per cent confidence interval), thereby accepting

the null hypothesis -there is no significance association between Organizational Learning and the level of Experience of the employees of the few selected Public Insurance Companies.

H_{04} : There is no significance association between Knowledge Management and the level of Experience of the employees of the few selected Public Insurance Companies.

Table 6 : Association between Knowledge Management and the level of Experience of the employees

ANOVAa						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.792	1	.792	1.791	.182b
	Residual	87.589	198	.442		
	Total	88.381	199			
a. Dependent Variable: Mean_KM						
b. Predictors: (Constant), EXPERIENCE						

(Source: Developed by the Author)

Table 6 shows the linear regression's F-test, Sig. value came out to be 0.182 which is more than 0.05 (on 95 per cent confidence interval), thereby accepting the null hypothesis -there is no significance association between Knowledge Management and the level of Experience of the employees of the few selected Public Insurance Companies.

H_{05}: There is no significant relationship between Organizational Learning and Knowledge Management in the few selected Public Insurance Companies.

Table 7 : Correlation between Organizational Learning and Knowledge Management

Correlations			Mean_OL	Mean_KM
Mean_OL	Pearson Correlation		1	.816**
	Sig. (2-tailed)			.000
	N		200	200
Mean_KM	Pearson Correlation		.816**	1
	Sig. (2-tailed)		.000	
	N		200	200
**. Correlation is significant at the 0.01 level (2-tailed).				

(Source: Developed by the Author)

Table 7 shows that the Pearson Correlation is 0.816 and therefore that there is a high correlation between Organizational Learning and Knowledge Management among the employees of the selected public insurance companies in Punjab. This implies that both Organizational Learning and Knowledge Management goes hand in hand.

CONCLUSION

"Organizational learning"and "knowledge management"are the most commonly used terms in the today's business environment and usually associated with large budget projects pursued by firms convinced that the only competitive advantage the company of the future will have is its ability to learn faster than its competitors. Organizational Learning and Knowledge Management is one of most indispensible element in every organization including public sector insurance companies. The present study suggests that there is a high correlation between Organizational Learning and Knowledge Management in the Public Insurance Companies in Punjab, therefore Knowledge Management practices directly impact the organizational performance.

LIMITATIONS OF THE STUDY

The present has undertaken the relationship between organizational learning and knowledge management in the Insurance sector in Punjab, therefore the other service sectors can be explored. The number of respondents is another limitation of the study, and hence the results can not be generalised.

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