



## EAST OR WEST! THE CULTURAL IMPETUS ON LEARNING IN SMEs: AN EMPIRICAL STUDY

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### Abstract

This paper attempts to explore the cultural impetuses on organizational learning exclusively in small and medium enterprises with reference to Mysuru district of Karnataka. It is stimulating to note that the SMEs do not have such mechanisms as far as the modern human resource management practices are concerned. But still their functions are inbuilt with their own cultures which are rooted from their land. Hence, few of the SMEs have already started to explore their unknown cultural practices and instituted to inculcate the same for better results. On the other hand, the question comes whether the existing cultural practices influence the organizational learning which focuses on improving the scientific management practices. Therefore, the authors studied the discussed phenomena with the objectives of exploring the Organizational Culture and Learning practices in SMEs with the Western Models. Also the authors tried to establish the relationship between the Organizational Culture and Organizational Learning in SMEs. The results are discussed based on the reliability of the instruments and validity to fit the above said models. The paper concludes by giving answer whether the western model of culture and learning fits into the eastern context of business organization.

**Key Words:** organizational culture, organizational learning, SMEs, structural equation modelling and canonical correlation model

### 1. Introduction

The concepts of Organization Culture and Organization Learning have been studied in many ways using many developed scales even in Indian contexts. It is undoubted that most of the models of these concepts are developed by the western authors, and certainly the Indian authors also used the same models. But it is evident that the Indian literatures are failed to examine what the indigenous concepts are prevailing around the business organizations in terms of these

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concepts. Hence, this study attempts to address the very beginning question whether the western models of Organizational Culture and Organizational Learning really prevails in the Eastern part of the globe especially in Indian business organizations.

## 2. Review of Literature

Brown (1998) has already study the organizational culture through his historic Organizational Climate Surveys in 1970s followed by Dea and Kennedy (1982) who exhibits the origin of organizational culture from the National Culture. Handy and Schein (1985) contributed through their Cultural Classification ideas such as Power, Role, Task and Person's Culture. These classifications based the evolution of organizational culture to be studied empirically. Hofstede (1991) has given five dimensions model of Culture such as Power Distance, Individualism/Collectivism, Uncertainty Avoidance, Masculinity/Faminity and Confusion Dynamism.

Whereas, the Organizational Learning was studied by different people in the western world. Fiol & Lyles (1985) describes the concept as "a change in the organization's knowledge that occurs as a function of experience". Levitt & March (1988) had come up with the Behavioural Approach of Learning. Pentland (1992) describes the Organization Knowledge as the capacity of an organization to act competently.

### 2.1 Research Gap

At this juncture of time it, therefore, becomes necessary to look into Organizational Culture and Organizational Learning process of organizations. Nothing can be a better learning ground here than the Small and Medium Enterprises of Mysuru District of Karnataka. This study revolves round the three important vertices, i.e. Small and Medium Enterprises, Organizational Culture and Organizational Learning will definitely be a challenging venture that will help in developing sound understanding of the subject matter. While it will help in providing a descriptive account of the processes of OC and OL in these SME organizations on one hand, it would greatly help in understanding, profiling and comparing these two processes among and within the SMEs of Karnataka on the other.

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## 3. Theoretical and Conceptual arguments

### 3.1 Albert Bandura's Model of Organizational Culture

This model is based on the work started by Stanford psychologist Albert Bandura in the 1970's. It's also featured in E. Scott Geller's text, *The Psychology of Safety Handbook*. Bandura called the interaction between these elements "reciprocal determinism." Bandura Model talks about the interaction of Psychological, Behavioural and Environmental factors of culture which would address the phenomena of an organization.

### 3.2 Argote & Miron-Spektor Model of Organizational Learning

This is a framework for analyzing organizational learning (Argote & Miron-Spektor, 2011). This model portrays an ongoing cycle through which task performance experience is converted into knowledge through organizational learning processes. Task performance experience interacts with the context to create knowledge. The knowledge flows out of the organization into the environment and also changes the organization's context, which affects future learning.

The empirical examination of these two models has been resulted into an ironical phenomenon which doesn't express the availability of these models. Hence, the authors tried to examine the indigenous way of cultural formation and learning happened in the organization.

## 4. Methodology

This study is descriptive because descriptive data has been collected through detailed interviews and it is also explanatory since researcher will explain the relationship between the Organizational Culture variables and dimensions, and how these dimensions affect the Organizational Learning. Researcher used quantitative primary data collected through descriptive survey method. Computer assisted Personal interviews has been used by the researcher to collect primary quantitative data.

In this study, survey methods have been preferred. Researcher adopts well-known developed measurement-scales. For Organizational Culture measurement, Researcher has used the instrument developed by Prof. Pankaj Kumar, and for Organizational Learning measurement, the 'Organizational Learning Diagnostics scale' developed by Prof. Udai Pareekh has been used. In this study, the research instrument was self-administered scale-based questionnaire, conducted

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inside & outside the small and medium enterprises in Mysuru District of Karnataka. To minimize the bias, prospective respondents were approached and interviewed individually. They were not allowed to respond with their peer/working groups. The method of self-administered scale-based questionnaire is superior to the personal Interviews in perceptual or attitudinal surveys while face-to-face administration maximizes the Interviewer's bias rate.

## 5. Results

The data collected using different scales was analyzed to ensure the normality assumptions. Further, the data has been carried to test whether the western models i.e. Organizational Culture Model of Albert Bandura and Organizational Learning Model of Argote & Miron-Spektor, are existing in the Indian organization context. It shows through the Structural Modelling Equation Analysis that both the models are not fitting with this phenomenon. Hence, the authors have decided to study the relationship between Organizational Culture and Organizational Learning without applying the above said models. Since, the instrument is reliable; it is decided to create a canonical correlational model between the employed constructs. It has been identified that there is a moderate positive relationship between the constructs.

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