Abstract

Fierce competition, rapid evolution of information technology, economic uncertainty and ceaselessly shifting consumer trends, have brought about for contemporary business world a new era where the major source of competitiveness lies in a company’s ability to transform into a learning organization, an organization which constantly generates, diffuses and integrates new knowledge. This assertion is even more critical for advertising companies, typical examples of Knowledge Intensive Firms (KIFs), for which ideas and knowledge constitute the key production resources. Due to dramatic decline in Greek firms’ profitability in the last seven years, these companies are required to enhance both individual and organizational performance by promoting knowledge-based work and highly focusing on their workforce constant learning advancement. This paper explores the pattern of learning organization in association with two principal work outcomes, job satisfaction and job performance. A questionnaire survey has been conducted, based on a sample of 251 staff members who are employed by 49 advertising agencies. Findings have brought to light that learning-oriented operation is a crucial predictor of both employee job satisfaction and individual performance, while job satisfaction proved to be a mediator of the relationship between learning organization and job performance. Conclusions have been drawn and practical implications have been suggested.

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Keywords: Learning Organization; DLOQ; Organizational Learning; Job Satisfaction; Job Performance; Work Outcomes; Media Management; Advertising; Competitiveness

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1. Introduction

Due to vicious global competition, continuous technological evolution, growing market complexity and financial instability, contemporary business world is undergoing consecutive changes (Davis & Daley, 2008; Weldy, 2009; Sakas et al, 2014). In order to deal with this business volatility, to achieve superior organizational performance and sustainable competitiveness, organizations imperatively need to base their action on regular creation and integration of new knowledge, and thus, to adopt the model of learning organization for their daily operation (Fang & Wang, 2006). This critical organizational capacity to systematically generate and utilize corporate knowledge, is even more critical in case of Knowledge Intensive Firms (KIFs), such as advertising agencies, for which knowledge constitutes the primary production resource (Storey, 2005). In order to cope with current adverse economic conditions, Greek advertising companies are required to highly focus on their staff learning advancement as a prescription for improved both individual and organizational performance (Chang & Lee, 2007). In pursuit of enhanced individual performance, these companies need to maintain the level of their employees’ job satisfaction as elevated as possible, something which is strongly favoured by learning orientation (Dirani, 2009; Goh, 2003).

The aim of the present research project consists in exploring the relationship between learning organization and work outcomes (job satisfaction and job performance) in the Greek advertising sector.

Although the pattern of learning organization has already been examined in association with job satisfaction and individual performance, to the authors’ awareness—the specific impact exerted by each learning organization dimension on these two work outcomes, has not been studied yet. In addition, the interplay between learning organization, job satisfaction and employee performance has been investigated to a very limited extent. Moreover, given that Greek advertising companies have been facing a sharp decline in their profitability since the beginning of the global financial recession, this study turns out to be even more challenging as this complex relationship has not been studied in communication sector yet.

2. Theoretical Background

2.1. Learning Organization & Work Outcomes

The notion of learning organization has emerged in recent years, has inspired both academics and practitioners to produce a high volume of textbooks and studies, and has been widely indicated as a prescription for profitable organizational action and sustainable competitiveness (Jamali et al, 2009). Learning organization could be described as an organization that regularly creates, disseminates and integrates knowledge, transforms itself and modifies its action based on new knowledge, perceptions and experience in order to meet its strategic objectives (Lewis, 2002).

Watkins & Marsick (1993) detect the following seven distinct learning organization dimensions: Continuous Learning: Inquiry and Dialogue; Team Learning: Embedded Systems; Empowerment; System Connection; Strategic Leadership.

Job satisfaction and job performance are considered as the most significant work outcomes lying at the core of individual and organizational welfare (Hart and Cooper, 2001) and crucial factors affecting organizational performance, success and competitiveness (Gould-Williams & Davies, 2005). Job satisfaction is the mental, physical and environmental pleasure that a staff member derives from her/his job; it can be described as an employee’s affective and cognitive behavior towards certain aspects of her/his work (Pool & Pool, 2007). Job performance refers to the appraisal of a staff member’s performance on job-related attitudes and outcomes in comparison with her/his colleagues; it can be measured in terms of each employee’s level of proficiency and contribution to the attainment of organizational goals (Campbell et al, 1990).

A number of researchers underline that learning-oriented operation has a beneficial impact on work outcomes, such as job satisfaction and job performance (Dirani, 2009; Yang et al, 2004). Certain empirical studies indicate an intense positive correlation between major characteristics of learning organization and employee job satisfaction (Chang & Lee, 2007; Egan et al, 2004; Goh, 2003; Rose et al, 2009). Individuals employed by companies operating on the pattern of learning organization, are portrayed as strongly motivated and energized, and tend to experience positive psychological outcomes, such as increased commitment and work satisfaction. Organizations providing staff members with abundant resources and opportunities for learning, self-enhancement and professional advancement,
offer their employees significant psychological benefits and elevated job satisfaction (Mulraney & Turner, 2001; Rowden & Conine, 2005). Goh (2003) highlights a statistically significant positive association of job satisfaction with experimentation and shared leadership. Regular provision of learning opportunities combined with systems thinking and empowerment, enhance both internal and external job satisfaction (Eylon & Bamberger, 2000). Participative management and staff active involvement in organizational processes, improve supervisory communication and have a significant positive influence on work satisfaction (Kim, 2002). Enabling employees to highly impact their work environment and treating them as key stakeholders, increases the pleasure they derive from their occupation. Gaertner (2000) states that leadership which promotes teamwork, stimulates questioning, sets examples and offers rewards, has been widely considered as a critical job satisfaction enhancer. Work satisfaction can be detrimentally affected by the absence of open and transparent communication, trusting relations and group work (Griffin et al., 2001). Consequently, we promote the following hypothesis:

H1: Learning organization is significantly and positively related to job satisfaction.

Moving on to job performance, the adoption of learning organization strategies, practices and behaviour patterns, strengthens organizational performance through the facilitation of individual, team and organizational learning (Davis & Daley, 2008; Weldy, 2009). Employees are enabled to regularly acquire new and suitable skills and knowledge to participate in work groups, and finally, to decisively contribute to the realization of organizational vision (Watkins & Marsick, 1993). However, the implementation of learning organization model does not only enrich staff individual knowledge, but also boosts their commitment to organizational goals, increases their productivity and performance (Bhatnagar, 2007). Vemić (2007) underlines the crucial significance of employee continuous learning and development for the enhancement of her/his individual performance. Bennet and O’Brien (1994) detect elevated productivity in companies having integrated in their operation the learning organization model, while Rose et al. (2009) brings to light a strong positive relationship between learning orientation and individual performance. In congruence with the above-mentioned studies, Davis and Daley (2008), Ellinger et al. (2002) highlight a positive correlation of all seven learning organization building blocks with net income and average productivity per employee. Accordingly, we hypothesize that:

H2: Learning organization is significantly and positively related to job performance.

3. Sample & Questionnaire Design

The present field research was conducted in 49 advertising agencies situated in Greece. Structured questionnaires were distributed to 1256 staff members, and 251 valid questionnaires were returned. The response rate achieved was 20%. Concerning gender, a nearly equal representation was achieved, since 49.8% of the respondents are male and 50.2% are female. The vast majority of respondents claim to be between 31 and 40 years old (45.8%), hold a university degree (87.2%), while their total work experience ranges from 11 to 20 years (50.2%). A significant majority of respondents is employed by advertising agencies whose years of operation range from 11 to 20 (38.6%) and whose workforce entails from 21 to 40 individuals (37.1%).

In this research, learning organization was measured with the use of the DLOQ (Dimensions of the Learning Organization Questionnaire), a scale constructed, validated and revised by Watkins and Marsick (1993) and Yang et al. (2004). It contains 43 items grouped in seven subscales as follows: (a) continuous learning (LEARN), (b) inquiry and dialogue (DIAL), (c) team learning (TEAM), (d) embedded systems (SYST), (e) empowerment (EMPOW), (f) system connection (SYST) and (g) strategic leadership (LEAD). The significant number of empirical studies
conducted with the use of DLOQ, has established its validity and reliability as a measuring instrument for learning organization aspects (Weldy & Gillis, 2010). Job satisfaction was measured with the aid of the job satisfaction construct developed by Warr et al. (1979). This scale is comprised of 15 items aiming at identifying the extent to which an individual is satisfied with 15 different both intrinsic and extrinsic features of her/his professional life. It constitutes a short, thorough and easily utilized as well as reliable and valid instrument for assessing work satisfaction (Griffin et al., 2001). Finally, job performance was measured with the aid of a 16-item self-appraisal scale which was generated by combining questions from three different instruments; the scale used is composed of 2 items from Yousef’s (1998) scale, 5 items from Suliman's (2001) scale and 1 item from Farh et al's (1991) scale, and examines 8 aspects of individual performance.

4. Data Analysis & Results

4.1. Principal Component Analysis

Principal Component Analysis (PCA) with normalized varimax rotation was performed and confirmed the seven dimensions of LO and the unidimensionality of JS and JP scales. Preceding PCA, the Bartlett sphericity testing on the degree of correlation between the variables (p<0.001) and the Kaiser–Meyer–Olkin (KMO) index verified the appropriateness of the sample. Cronbach’s alpha coefficients ranged approximately from 0.895 to 0.946, well over the minimum acceptable reliability level of 0.7.

4.2. Mediated Regression Analysis

Stepwise regression analysis was performed to test the proposed hypotheses. Seven control variables were included in the analyses namely gender, age, educational level, working experience, hierarchical level, firm’s size (number of employees), monthly income. The direct effect of LO dimensions on job satisfaction, as described in hypothesis H1, is shown in Table 1 and it is significant, since the 63.3% of the total variance is explained. Three LO dimensions proved to have a positive statistically significant impact on job satisfaction (strategic leadership, std. beta=0.232, p<0.001, inquiry and dialogue, std. beta=0.200, p<0.001, empowerment, std. beta=0.231, p<0.001). Only respondent’s working experience and firm’s size among control variables, are statistically associated with job satisfaction. Thus, H1 was partially supported.

Table 1. Regression Results Pertaining to the Relationship between LO Dimensions & Job Satisfaction

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Std. beta</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control Variables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Working experience</td>
<td>0.146***</td>
<td>1.092</td>
</tr>
<tr>
<td>Firm’s size (number of employees)</td>
<td>-0.080*</td>
<td>1.034</td>
</tr>
<tr>
<td>LO dimensions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic Leadership</td>
<td>0.232***</td>
<td>2.690</td>
</tr>
<tr>
<td>Inquiry and Dialogue</td>
<td>0.200***</td>
<td>2.147</td>
</tr>
<tr>
<td>Empowerment</td>
<td>0.231***</td>
<td>3.045</td>
</tr>
<tr>
<td>Adjusted R square</td>
<td>0.633***</td>
<td></td>
</tr>
</tbody>
</table>

* Significant at the 0.05 level, ** 0.01 level, *** 0.001 level, N=251, Durbin Watson index=1.773

Similarly, testing for hypothesis H2, three LO dimensions (system connection, std. beta=0.159, p<0.05, inquiry and dialogue, std. beta=0.166, p<0.01, empowerment, std. beta=0.249, p<0.01) are strongly related to job performance, explaining 54.9% of the total variance, as depicted in Table 2. Thus, H2 was partially supported. In addition, the significant impact of job satisfaction on job performance is illustrated in table 3.

Table 2. Regression Results Pertaining to the Relationship between LO Dimensions & Job Performance

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Std. beta</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control Variables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Working experience</td>
<td>0.161***</td>
<td>1.093</td>
</tr>
<tr>
<td>Firm’s size (number of employees)</td>
<td>-0.106*</td>
<td>1.083</td>
</tr>
<tr>
<td>Education Level</td>
<td>0.202**</td>
<td>2.582</td>
</tr>
<tr>
<td>LO dimensions</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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Table 3. Regression Results Pertaining to the Relationship between Job Satisfaction & Job Performance

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Std. beta</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education Level</td>
<td>0.156**</td>
<td>1.913</td>
</tr>
<tr>
<td>Job satisfaction</td>
<td>0.694***</td>
<td>1.913</td>
</tr>
</tbody>
</table>

Adjusted R square = 0.549***

* Significant at the 0.05 level, ** 0.01 level, *** 0.001 level, N=251, Durbin Watson index=1.833

Table 4. Regression Results Pertaining to the Mediation Effect of Job Satisfaction on the Relationship between LO Job Performance

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Std. beta</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hierarchical Level</td>
<td>0.136**</td>
<td>1.913</td>
</tr>
<tr>
<td>Job satisfaction</td>
<td>0.650***</td>
<td>1.989</td>
</tr>
<tr>
<td>System Connection</td>
<td>0.142**</td>
<td>2.050</td>
</tr>
<tr>
<td>Embedded systems</td>
<td>0.100*</td>
<td>1.675</td>
</tr>
</tbody>
</table>

Adjusted R square = 0.676***

* Significant at the 0.05 level, ** 0.01 level, *** 0.001 level, N=251, Durbin Watson index=1.692

Following the procedures suggested by Baron and Kenny (1986), the role of job satisfaction in the equation is then analysed by regressing both LO and job satisfaction on job satisfaction (Table 4).

Table 4. Regression Results Pertaining to the Mediation Effect of Job Satisfaction on the Relationship between LO Job Performance

<table>
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Adjusted R square = 0.676***

* Significant at the 0.05 level, ** 0.01 level, *** 0.001 level, N=251, Durbin Watson index=1.692

Regarding the impact of LO aspects, only system connection (std. beta=0.142, p<0.01), and embedded systems (std. beta=0.100, p<0.05), two system oriented dimensions proved to be significantly related to job performance at the presence of job satisfaction. Thus, the effect of inquiry and dialogue as well as the impact of empowerment on job performance is fully mediated by job satisfaction, because they are no longer significant when the effect of satisfaction is included in the last regression model. Thus, H3 was partially supported.

5. Discussion & Conclusions

The present study provides additional support for prior research works reporting that learning organization exerts a strong positive impact on both job satisfaction (Chang & Lee, 2007; Dirani, 2009; Egan et al, 2004) and individual performance (Davis & Daley, 2008; Ellinger et al, 2002; Weldy, 2009).

Findings testify a positive relationship between learning organization and job satisfaction, stating that the higher the extent to which an organization has set workplace learning as a principal priority, the more satisfied staff members appear with their job. This result supports findings of several previous empirical studies, which discovered organization’s learning behaviour to be critical predictor of job satisfaction (Erdem et al, 2014; Lee-Kelley et al, 2007; Mirkamali et al, 2011; Rose et al, 2009; Rowden & Conine, 2005; Nasiopoulos, Sakas, Vlachos, 2014). Moreover, this study is in congruence with inquiries conducted by Leslie et al (1998), Mulaney and Turner (2001), who combined the ample provision of learning and development opportunities to staff members, with the attainment of their individual objectives and the consequent work pleasure originated from this accomplishment. Among the seven components of learning organization, strategic leadership, empowerment, inquiry and dialogue, emerged as the most significant dimensions directly associated with job satisfaction. The learning leader tends to regularly offer employees generous opportunities for learning and training, self-improvement and professional advancement. He systematically mentors and coaches his/her subordinates as well as empowers them to be actively involved in the implementation of organizational vision and the achievement of corporate goals. Job satisfaction stemming from staff members’ ability to strongly impact their work environment and daily routine, is also significantly reinforced by the regular provision of opportunities for unhindered dialogue and opinion exchange, free flow of information, questioning and experimentation as well as by the establishment of trustful and respectful relationships between staff members. These results are in accordance with prior inquiries that have indicated regular provision of learning
opportunities, shared leadership and empowerment, open communication and trusting relations as critical job satisfaction enhancers (Chang & Lee, 2007; Gaertner, 2000; Griffin et al., 2001; Kim, 2002).

The attainment of personal objectives does not only bring about satisfaction generation, but also ameliorates individual performance (Weldy, 2009). Our results stress that the more a company bases its operation on learning organization model, the higher performing its employees are. This finding is in congruence with inquiries carried out by Camps and Luna-Arocas (2012), Kontoghiorghes et al (2005), Yang et al (2004), who found learning organization dimensions to be crucial determinants of staff productivity and effectiveness. Moreover, this result is consistent with Vemić’s (2007) point of view emphasizing the critical significance of staff life-long learning and development for continuous individual performance improvement, as well as with findings generated by Rose et al’s (2009) research, which postulated a positive association between organizational learning and individual performance, and indicated job satisfaction as a partial mediator of this relationship. System connection, empowerment, inquiry and dialogue, are the learning organization components most significantly and directly associated with individual performance. When a company defends employee professional and individual well-being, and makes staff feel and behave as parts of a system, both their job satisfaction and performance increase. Empowering staff members to contribute to the realization of organizational vision, strengthens their commitment to organization’s principles, values and objectives; employees are highly motivated to intensify their attempts to contribute to the most effective possible organization’s operation and the achievement of optimum organizational outcomes through their continuous self-enhancement and professional advancement. In Knowledge Intensive Firms, elevated employee performance coincides with ability to efficiently acquire, manage and utilize knowledge (Storey, 2005). Therefore, unhindered dialogue and opinion sharing, questioning and experimentation, which are fundamental learning sources, favour individual performance in such companies.

In addition, our findings are consistent with prior inquiries emphasizing that job satisfaction is a significant predictor of individual performance (e.g. Chen & Silverthorne, 2008; Zimmerman & Todd, 2009). Staff members deriving increased mental and physical pleasure from their job, are strongly motivated to intensify their efforts to achieve superior individual performance and make maximum contribution to the accomplishment of organizational objectives (Judge et al, 2001; Lee et al, 2010; Rigopoulou et al, 2011). In addition, job satisfaction was found to be a mediator of the relationship between learning organization and individual performance. This finding is in agreement with the limited research work that has explored this mediating relationship (Kasim et al, 2009; Rose et al, 2009); individuals employed by organizations operating on the pattern of learning organization, portray themselves as more satisfied with their job, and this in turn strengthens their individual performance.

In the context of Greek advertising industry, learning orientation proved to constitute a factor that critically influences both job satisfaction and performance, while job satisfaction acts as a mediator of the relationship between learning organization and individual performance. Hence, in order for Greek advertising companies to deal effectively with economic malaise jeopardizing their survival, they are required to adopt a more learning-oriented modus operandi, promote knowledge-based work and strongly focus on strengthening the potential of their human asset as a prescription for increased job satisfaction and elevated individual performance. Individuals at the helm of these firms need to regularly create and utilize learning and training opportunities, generously mentor and coach their subordinates, systematically share with them views, knowledge and information as well as highly motivate all staff members to contribute to the attainment of organizational goals. Employees of all levels should be encouraged to take initiative, pursue creativity and innovation, express freely their opinion, question and experiment. Greek advertising firms should be in close and regular connection with their operating environment by safeguarding their staff well-being, taking into consideration customer views and market trends in organizational processes, foster critical understanding and thinking from a global perspective.

Although more than 67% of variance in job performance is explained by the mediation model, further research should be conducted. A more holistic approach could also examine the influence of other concepts both at the individual level such as emotional intelligence (Trivellas, Gerogiannis & Svarna, 2011; 2013), work stress (Trivellas, Reklitis & Platis, 2011; 2013; Kakkos & Trivellas 2011), infrastructure (Trivellas & Santouridis, 2013), work motivation and commitment (Trivellas, 2009; 2011; Trivellas, Kakkos & Reklitis, 2010) and at the organizational level, such as culture (Trivellas and Dargenidou, 2009; Trivellas, Reklitis & Konstantopoulos, 2007; Trivellas, Reklitis & Santouridis, 2006), strategy (Garri & Konstantopoulos, 2013; Garri et al., 2013; Trivellas, 2012), supply chain management (Antoniadis & Ananikas, 2004; Marinagi et al., 2014; Serdaris et al., 2014;), TQM (Trivellas &
Santouridis, 2009), and leadership style (Antoniadis & Ananikas, 2005; Trivellas & Drimoussis, 2013; Trivellas & Reklitis, 2014).

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