

## ABSTRACT

In an economy where the only certainty is uncertainty, the one sure source of lasting competitive advantage is knowledge. Organizations must learn better than their best competitor or their business is doomed to fall behind. Learning has become the key to organizational survival.

The main aim of this research is to explore how business culture affects organizational learning of Malaysian organizations. It is also to understand whether different nationalities of Malaysian organizations possess different business culture. Additionally, the research analyzed the effect of organizational learning on the consequences in term of individuals' self-rated competency and satisfaction with development since joining the organization, and organizational innovativeness.

The research focuses on manufacturing firms in Malaysia and the targeted group is executive and above in these organizations. The instrumentation used are the business culture model that originally presented by Bob Quinn and his colleagues; Marquardt's "System-Linked Organization Model" that incorporate five interrelated subsystems – learning, organization, people, knowledge and technology; learning opportunity originated by Watkins and Cervero; and learning consequences that comprise of self-rated competency, satisfaction with development and organization's innovativeness. The survey form was distributed through mail or e-mail and 131 usable responses were collected after a month.

Results indicate in general, organizations with adhocracy cultures (value creativity, innovation, expansion and growth) and market cultures (focus on customer and market competition) retain higher organizational learning capability. Whereas, clan-based organizations (value human commitment, morale, participation and openness) possess moderate organizational learning capability and hierarchical organizations (focus on stability, control, and management of the existing bureaucracy) are the least capable in term of organizational learning. Survey finds that Asian-based organizations seem to be more hierarchical-oriented, while Western-based organizations are market-oriented. Thus, we can conclude that Western-based organizations have higher organizational learning capability than Asian-based organizations.

The study recommends that if an organization would like to embark into a learning organization, it should value flexibility and decentralization, creativity and innovation, expansion and growth, task focus and goal achievement, efficiency and profitability, excellent outcome and goal clarity.

In general, formal learning is found to be the least offered learning opportunity since this learning is often expensive and time consuming, and they do not produce immediate results to an organization. While incidental learning is the most preferred learning opportunity since it is less costly and less time consuming because it occurs spontaneously as a by-product of opportunities to work with new or challenging projects, with expert professionals on common tasks, through networking with knowledgeable peers, or simply as part of debriefing a project.

Finally, the research finds that organizational learning capability and learning opportunity do affect significantly one's self-rated competency, satisfaction with development and organizational innovativeness.