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Research & Graduate Affairs
Faculty of Commerce
Master of Business Administration



**"The Impact of Applying the Concept of Learning Organization on
Institutional Performance in the Palestinian Telecommunications
Company (PalTel) in Gaza"**

**"أثر تطبيق مفهوم المنظمة المتعلمة على الأداء المؤسسي لدى
شركة الاتصالات الفلسطينية"**

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Abstract

This study aims to assess institutional performance of Palestinian Telecommunications Company (PalTel) according to standards of European Foundation for Quality Management (EFQM) in the light of educated organization dimensions as the employees appreciate them.

The study adopted the descriptive analytical method, beside field study. The researcher prepared a questionnaire based on Watkins and Marsick form for educated organization and EFQM form. After excluding ineligible employees (drivers, guards or janitors) due to their inability to fill in the questionnaire in the appropriate method, the researcher distributed 250 questionnaires on all eligible PalTel employees, who represented the study sample and retrieved 230. The comprehensive survey method was used to analyze the retrieved questionnaires, which represented 92%, through SPSS program. The researcher also used repeats, percentages, means, Person correlation, one-way ANOVA, simple regression, Scheffe' and one-sample T test.

Study results:

1. Level of availability of educated organization dimensions at PalTelis average (96.67%).
2. Level of availability of institutional performance standards at PalTelis good (75.70%).
3. There is a positive strong correlation between educated organization standards at PalTel and level of institutional performance.
4. There are statistical dissimilarities in the availability of educated organization dimensions among PalTe employees attributed to experience years (more than 10 years).
5. There are no statistical dissimilarities in the availability level of institutional performance standards at PalTel attributed to experience.
6. There are no statistical dissimilarities in the availability level of educated organization dimensions and institutional performance standards among PalTel employees attributed to gender.
7. There are no statistical dissimilarities in the availability level of educated organization dimensions and institutional performance standards among PalTel employees attributed to departments.
8. There are statistical dissimilarities in the availability level of educated organization dimensions and institutional performance standards among PalTel employees attributed to qualification in favor of bachelor degree.

Study recommendations:

1. PALTEL should hold training courses for employees, especially those with short experience to aware them with the significance of educated organization concept and its positive impact on institutional performance.
2. PalTel should spread culture of education among its employees through encouraging them for knowledge to appreciate their academic benefits.

ملخص الدراسة

هدفت هذه الدراسة التي أجريت على شركة الاتصالات الفلسطينية في قطاع غزة إلى تقييم الأداء المؤسسي لشركة الاتصالات الفلسطينية PaITel بحسب أبعاد النموذج الأوروبي لتمييز الأداء (EFQM) وذلك في ضوء أبعاد المنظمة المتعلمة كما يقدرها العاملون في الشركة.

اعتمدت الدراسة على المنهج الوصفي التحليلي وأسلوب الدراسة الميدانية، فقد تم إعداد استبانة خاصة بها بإتباع نموذجي Watkins and Marsick للمنظمة المتعلمة والنموذج الأوروبي لتمييز الأداء (EFQM) حيث تم توزيع 250 استبانة على العاملين في الشركة والذين يمثلون مجتمع وعينة الدراسة وذلك بعد استثناء الغير مؤهلين من العاملين الغير قادرين على تعبئة الاستبانة بكفاءة من سائقين أو حراس أو أذنة، حيث استخدم أسلوب المسح الشامل، وقد تم تحليل الاستبيانات المسترجعة وعددها (230)، بنسبة استرداد (92%) باستخدام برنامج التحليل الإحصائي للعلوم الإنسانية والاجتماعية لمعالجة البيانات (SPSS) باستخدام التكرارات والنسب المئوية والمتوسطات الحسابية واختيار معامل ارتباط بيرسون وتحليل التباين الأحادي والانحدار البسيط واختبار شيفيه واختبار "ت" للعينة الواحدة. أظهرت نتائج البحث أن:

1. مستوى توفر أبعاد المنظمة المتعلمة في شركة الاتصالات الفلسطينية متوسط (69.67%).
 2. مستوى توفر معايير الأداء المؤسسي في شركة الاتصالات الفلسطينية جيد (75.70%).
 3. يوجد ارتباط موجب قوي بين مستوى توفر أبعاد المنظمة المتعلمة في شركة الاتصالات الفلسطينية ومستوى الأداء المؤسسي.
 4. يوجد فروق ذات دلالة إحصائية في مستوى توفر أبعاد المنظمة المتعلمة بين العاملين في شركة الاتصالات الفلسطينية يعود لمتغير الخبرة لصالح ذوي الخبرة الأكثر من 10 سنوات.
 5. لا يوجد فروق ذات دلالة إحصائية في مستوى توفر معايير الأداء المؤسسي بين العاملين في شركة الاتصالات الفلسطينية يعود لمتغير الخبرة.
 6. لا يوجد فروق ذات دلالة إحصائية في مستوى توفر أبعاد المنظمة المتعلمة وتوفر معايير الأداء المؤسسي بين العاملين في شركة الاتصالات الفلسطينية يعود لمتغير الجنس.
 7. لا يوجد فروق ذات دلالة إحصائية في مستوى توفر أبعاد المنظمة المتعلمة وتوفر معايير الأداء المؤسسي بين العاملين في شركة الاتصالات الفلسطينية يعود لمتغير الأقسام.
 8. يوجد فروق ذات دلالة إحصائية في مستوى توفر أبعاد المنظمة المتعلمة وتوفر معايير الأداء المؤسسي بين العاملين في شركة الاتصالات الفلسطينية يعود لمتغير الدرجة العلمية لصالح حملة البكالوريوس.
- وتوصي هذه الدراسة بما يأتي:

1. قيام المسؤولين في PaITel بإعداد الدورات التدريبية لموظفيها وبالأخص الأقل خبرة وذلك لبيان أهمية مفهوم المنظمة المتعلمة ومدى تأثيرها الإيجابي على الأداء المؤسسي.
2. نشر ثقافة التعلم بين موظفي PaITel وذلك بتشجيعهم على المعرفة وتقدير مكاسبهم العلمية.

Dedication

To my parents..... thank you.

To my husband and my kids..... thank you.

To my sister and my brother..... thank you.

To my everyone loved, helped, and supported me thank you.....

Acknowledgement

In the name of Allah the most Gracious the most merciful.

I would like to thank everyone supported and helped me to achieve this work successfully.

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List of Abbreviations

No.	Abbreviation	Meaning
1.	LO	Learning Organization
2.	IP	Institutional Performance
3.	Pal Tel	Palestinian Telecommunication Company
4.	DLOQ	Dimensions of Learning Organization Questionnaire
5.	EFOM	European Foundation Quality Management
6.	HRD	Human Resource Development
7.	KM	Knowledge Management
8.	OL	Organizational Learning
9.	EEA	European Excellence Award
10.	MLQ	Multifactor Leadership Questionnaire
11.	MCCG	Malaysian Code on Corporate Governance
12.	NED	Non Executive Director
13.	ED	Executive Director
14.	CEO	Chief Executive Officer
15.	AS	Australian standard on corporate governance
16.	OECD	Organization for Economic, Cooperation and Developing
17.	TQM	Total Quality Management
18.	TQC	Total Quality Control
19.	JUSE	Japanese Union of Scientists and Engineers
20.	SOEs	State- owned enterprises
21.	POEs	Privately-owned enterprises
22.	JOD	Jordanian Dinars

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Chapter (1)

Introduction

1.1 Preface

The huge increase in information systems and knowledge around the world forces many organization to transfer to one of the most modern organization concept called learning organization (LO). Building a learning organization is an important challenge in the workplace. It needs creating an organization climate that values experimentation, risk taking, tolerates mistakes, and rewards nontraditional thinking and knowledge sharing.(Daft,2008)

Learning organization concept was popularized by Peter Senge as a group of people working together to collectively enhance their capacities to infuse their organizations with new ideas and new information.

Learning organization is a system wide change program that emphasizes reduction of organization layers and the involvement of all employees in continuous self directed learning. (Al-Qutop, Futa & Ma'ani, 2011)

Also Addleson (1997) defined learning organization as "an organization that builds collaborative relationships in order to draw strength from the diverse knowledge, experience, capabilities, and ways of doing things that people and communities have and use."

Senge (1990) identifies the five disciplines that learning organization should posses:

- 1- Team learning: emphasis on the learning activities of the group rather than on the development of team process.
- 2- Shared visions: ability to unearth shared " pictures of the future" that foster genuine commitment and enrollment rather than compliance.
- 3- Mental models: deeply held internal images of how the world works.
- 4- Personal mastery: continually clarifying and deepening personal vision, focusing energies, developing patience, and seeing reality objectively.
- 5- System thinking: ability to see interrelationships rather than linear cause-effect chains.

Watkins and Marsick's framework of learning organization has several distinctive characteristics.

First, it has a clear and inclusive definition of the construct of the learning organization. It defines the construct from an organizational culture perspective and thus provides adequate measurement domains for scale construction.

Second, it includes dimensions of a learning organization at all levels. Redding (1997) reviewed several assessment tools of learning organizations and suggested that the framework created by Watkins and Marsick (1996) was among the few that covered all learning levels (that is individual, team, and organizational) and system areas.

Third, this model not only identifies main dimensions of the learning organization in the literature but also integrates them in a theoretical framework by specifying their relationships. (Yang, Watkins and Marsick, 2004)

The purpose of this study is to examine the existence of LO dimensions and its impact on institutional performance in Palestinian Telecommunication Company (PalTel) in Gaza strip. Due to the important of Watkins and Marsick framework of LO as mentioned above. It will be used as a study tool to measure LO dimensions in PalTel and its relationship with institutional performance. Since the European Foundation of Quality Management (EFQM) excellence model is one of most popular excellence performance framework, its criteria will be used in this study.

Palestinian Telecommunication company (PalTel) is one of the most success company in Palestine. It had been established in 1995 as a public shareholding company. PalTel commenced its operations on the 1st of January 1997 as an operator and provider of all telecommunication services including fixed lines, cellular, internet and data communications services.

1.2 Problem of the study:

In today's highly competitive business environment, learning organization hold a significant competitive advantage. Their ability to harness the power of learning at all levels: individual, team, and organizational enables them to rapidly leverage new knowledge into new products and services, new marketing strategies, and new ways of leading the learning revolution. (Marquardt, 2002)

PalTel is the most leading telecommunication company in Gaza strip, According to 2011's report, PalTel group capital amounts to 131,625 million Jordanian Dinars (JOD), with about 7668 shareholders by the 31st of December 2010, The list of shareholders includes a broad list of investors ranging from prominent individuals, companies, institutions and the Palestinian Investment Funds.

PalTel introduced all types of telecommunication and internet services to the Palestinian society. (PalTel annual report, 2011)

So this study will investigate the dimensions of LO in PalTel and their impact on the institutional performance of the company.

Hence, the problem of the study is summarized in the following key question:

"What is the impact of applying the concept of Learning Organization on the Institutional Performance of the Palestinian Telecommunication company (PalTel)?"

1.3 Study objectives:

This study seeks to achieve the following objectives:

- 1- Identifying the reality of the concept of Learning Organization in PalTel in Gaza strip.
- 2- Identifying the Institutional Performance accredited in PalTel in Gaza strip.
- 3- Studying the relationship between the concept of learning organization in the Palestinian Telecommunications Company (PalTel) in Gaza Strip and the level of institutional Performance.
- 4- Identifying the main challenges facing PalTel to become a learning Organization.
- 5- Giving some recommendations that could contribute to the enhancement of the effectiveness of the learning organization in the Palestinian Telecommunications Company (PalTel).

1.4 Hypotheses:

First hypothesis: There are statistical significant correlations between the dimensions of the learning organization (creating opportunities for continues learning, encourage inquiry and dialogue, promote cooperation and team learning, empower people by shared vision, create systems for sharing knowledge and learning, linking the organization with the external environment, strategic leadership) and the institutional Performance in the Palestinian Telecommunications Company PalTel in the Gaza Strip.

Second hypothesis: There are statistical differences at the significance level ($\alpha \leq 0.05.$) between the average ratings of the respondents attributed to the personal factors: (Job Title – Qualification – Gender – Experience).

1.5 Limitations of the study:

The study had been limited only in the substantive effect of applying the concept of learning organization on institutional performance in the Palestinian Telecommunications Company (PalTel) in the Gaza strip.

Also this study had been limited by all employees of the Palestinian Telecommunications Company (PalTel) in the provinces of Gaza Strip.

1.6 Study Variables:

1.6.1 The independent variables: Aspect of learning organization.

Seven variables were adopted which represent the disciplines of the learning organization, namely:

- 1- Creating opportunities for continuous learning.
- 2- Encouraging enquiry and conversation.
- 3- Encouraging cooperation and team learning.
- 4- Empower people by shared vision.
- 5- Create sharing knowledge and learning systems.
- 6- Connect the organization with the external environment.
- 7- Strategic leadership support learning.

1.6.2 The dependent variable: institutional performance.

It is measured through seven dimensions:

- 1- Leadership.
- 2- Strategy
- 3- Individuals.
- 4- Participation and sources.
- 5- Procedures.
- 6- Results for the customer.
- 7- Key Performance Results.

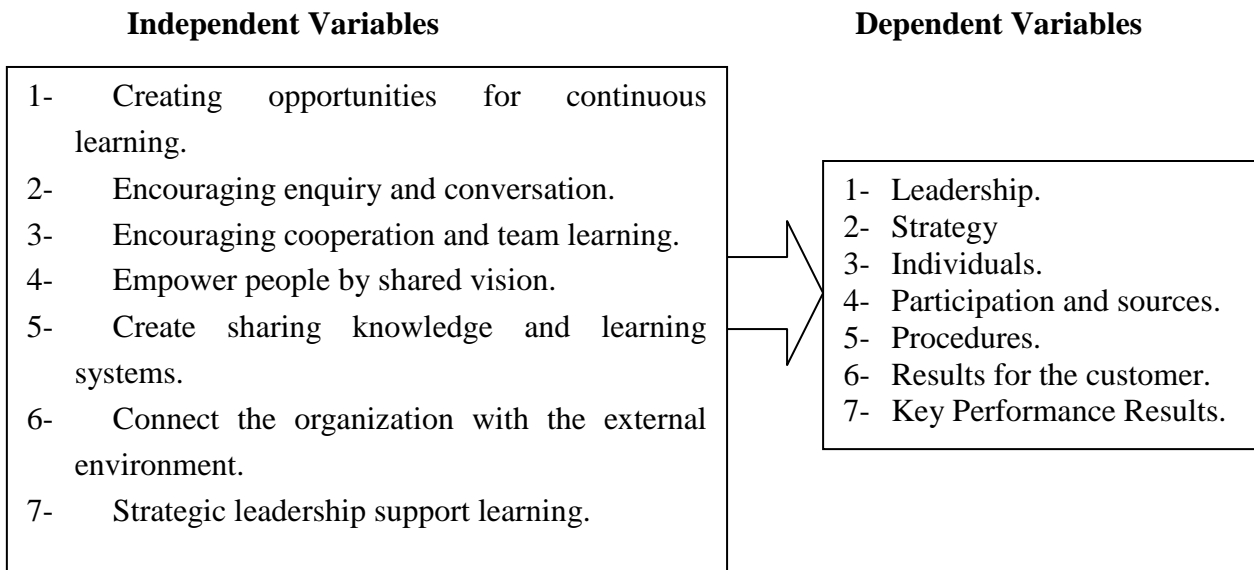


Figure1: Variables of the study

1.7 Importance of the study:

The importance of this study is as follows:

1. There are few studies in Palestine and the Arab world at all that discuss the aspect of learning organization and its impact on the institutional performance.
2. According to the literature review, learning organization is a motivation and developing aspect in the world of business and since there is a strong need to develop our organizations in Palestine this study tried to shed light on the activation and importance of LO aspect.
3. This study is the first that focuses on the relationship between Learning Organization dimensions and institutional performance according to the European Foundation Quality Management excellence model (EFQM) criteria.
4. Since PalTel is one of most important service organizations in Palestine, this study aims to introduce useful recommendations to its leaders in order to develop institutional performance of PalTel.

1.8 Previous studies

The studies below are some recent studies concerned with the concept of Learning Organization and some other related concepts like Organizational learning and Knowledge management and studies concerned on institutional performance and the impact of applying the concept of Learning Organization on it.

1.8.1 Al-Qutop, Futa & Ma'ni (2011)

The title of this study is "**The Relationship between Learning Facilitators and Transforming into a Learning Organization: An Empirical Study of the Insurance Sector in Jordan**"

This study aims to examine first the degree to which the insurance sector companies in Jordan are considered learning organizations; depending on the five disciplines of Peter Senge: Personal Mastery, Mental Models, Shared Vision, Team Learning and System Culture, Structure, MIS, Human Resource Management (HRM) Strategies and leadership and the learning organization.

A sample of 230 employees was selected randomly, representing 7 companies out of 28. A descriptive analytical methodology was used. The results showed that the insurance sector in Jordan is moving towards transferring into a learning organization. Pearson correlation coefficient was used for hypothesis testing.

The results indicated that there is a strong positive relationship between learning facilitators and the 5 learning organization disciplines.

1.8.2 Bryan (2009)

The title of this study is "**the Application of learning Organization Principles to Church Growth**".

This study aims to substantiate the presence of learning organization principles in churches experiencing growth, and to refine a tool to measure these characteristics in churches. Relationships and strengths of association between and among 3 learning organization principles of leadership, job structure and systems, and performance and development and degrees of growth defined as negative, plateau, and positive growth were examined in sample of Nazarene churches via a revised survey completed by senior pastors.

Pre and post survey analyses were employed, resulting in stronger reliability and validity outcomes for the instrument and contributing to a significant gap in the literature. Correlation, multiple regression, and ANOVA methods were used to assess relationships between the 3 learning organization principles and 3 levels of church growth.

Outcomes did not show significant substantiation of these relationships, expect for slightly higher evidence of leadership in the positive growth group. This study adds to the scientific knowledge of church growth via the creation of a new survey instrument for church use.

The promotion of social responsibility and professional application of knowledge to church venues is an important tenet of this study, and lends valuable insight and knowledge for church leadership to engage in strategies that lead to social change.

1.8.3 Torokoff (2009)

The title of this study "**The Leader's Role in the Creation of a Learning Organization and the Innovation Process – the Example of Estonian Enterprises**"

This study aims to identify the role of mid-level managers in directing the innovation process in their organizations in order to convert in to learning organization. One has to know how to gather and analyze information, make balanced decisions and constantly fine new solutions in order to support the success of a business in a demanding and fast changing world of technology.

In the analysis of directing innovation process this article derives from the concept of learning organization.

The study had applied on 671 employees from different companies in Estonia by a questionnaire. It covers years 2005-2009;

The model and questionnaire were based on the five discipline model (Senge, 1990) and the three-dimension model of the framework of organization development (mets, 2002).

The study of different samples delineates different patterns of a learning organization.

Based on factor analysis it became clear that the patterns of characteristics are substantially different of the companies whose learning is based on employees or managers. Therefore the role of mid-level managers in directing the development of their direct subordinates is more important than has been realized thus far.

1.8.4 Zaeid, Bsheat, and Al Mtaery (2009)

The title of this study is "**The Learning Organization and its implications in Kingdom of Saudi Arabia**"

This study aims to look into one of the most recent management concept in the field of organization development, i.e. the Learning Organization (LO). The concept of the LO as well as the most crucial characteristics of LOs are considered. The study also was set to assess the potentials related to this concept in the Core Business of the Royal Commission in Jubail, which runs the largest industrial City in the Kingdom of Saudi Arabia.

The Learning Organization Model by Marsick & Watkins (1993) used. The population of this study comprises all employees in the Core Business of the Royal Commission in Jubail, using a comprehensive coverage method, as all of the (321) employees were given questionnaires, (211) questionnaires were received back with (65.7%) response and SPSS software package was used to analyze the data.

The results of the study show that the weakness of the seven dimensions of the Learning Organization are empowering individuals towards a collective vision and creating systems to capture and share learning. On the other hand, the most obvious strength was the promotion of inquiry and dialogue. The averages of the seven dimensions ranged between (3.44) and (3.94) out of (6).

1.8.5 Galatiuse (2009)

The title of this study is "**Business Excellence Across Cultures**"

This study aims to explore why organizations with different national and organizational culture can sustain and improve performance by integrating the EFQM Business Excellence Model into their organization.

The data presented in this thesis is based on empirical studies gathered through interviews with employees at three Danish and one Turkish organization. Two of the organization have won the EFQM Excellence Award and one has won an EFQM Excellence Prize. The four cases have been analyzed and they show how different in leadership approach, resource availability and long term orientation of the organization, have resulted in different levels of change in the organization culture, caused by the adoption of the EFQM Business Excellence Model.

The findings of this thesis are that organizations that sustain and improve their performance by implementing the EFQM Business Excellence Model. The positive change program has been established by benefiting from the EFQM Business Excellence Model. The findings of this thesis are that organizations that sustain and improve their performance by implementing the EFQM Business Excellence Model. The positive change program has been established by benefiting from the EFQM Business Excellence Models Ability to provide organizational awareness. Organizational awareness that helps the

organization understand how it executes minimizes the gap between the organizational perception and performance. Finally the EFQM business Excellence Models non prescriptive approach makes it easier for the organizations to choose their supporting tools to fit their individual national and organizational culture. The thesis concludes that the three organization which have had success with their Business Excellence and their positive change program, all been driven by an Executive Management who have shown consistency in their leadership, and kept the origination aligned with the long term future perspective for the organizational performance.

1.8.6 Al Shaikh Ali (2007)

The title of this study" **Performance Evaluation of Palestinian telecommunications Corporations by using Balanced Scorecard approach"**

This study aims to evaluate the performance of Jawwal and PalTel in the light of the four Balanced Scorecard perspectives as assessed by their employees and shareholders. This study relied mainly on both analytical descriptive and the field study methods, where aspecial questionnaire was designed and distributed on a sample of 185 employees and shareholders representing the research population of 668 employees and unknown number of individual shareholders, therefore, a stratified random sample was adopted composed of three stakeholders categories: Managers Employees and Shareholders.

The results of the study show that:

- 1- There was a strong, direct and significant relation between every perspective and the total degree of the Balanced Scorecard.
- 2- Most of the stakeholders equally evaluate the performance of the company in Customers and financial perspectives which was consistent with the companies' visions, missions and main objectives of Jawwal and PalTel.
- 3- Most of the stakeholders were different in assessing the performance of the two companies in Internal Business Processes and Learning and Growth perspectives.
- 4- The employees of Jawwal and the post graduate stakeholders expected better Learning activities. The stakeholders more than 50 years old expected better performance in the financial perspective.

1.8.7 Abu Athra (2007)

The title of this stuffy is "**learning organization characteristics and their impact on the performance of education development center in UNRWA"**

This stuffy aimed to measure the availability of LO characteristics and their reflection on the Education Center Performance as evaluated by the center Supervisors. The study carried out on the EDC in UNRWA –Gaza and depended on the analytical descriptive approach and the field study technique. A special questionnaire was designed and distributed to 83 supervisors in the EDC.

The received questionnaires were analyzed using SPSS through, Pearson correlation One way ANOVA, Simple ad "t test".

The results of the study were:

1. The level of LO characteristics is weak at all levels of the EDC in the education department in UNRWA.
2. There is a positive correlation between existence of LO characteristics and the performance of EDC in the education department in UNRWA.

3. There is insignificant difference between levels of LO dimension among the investigated members attributed to gender at all levels in the EDC in the education department in UNRWA.
4. There is insignificant difference between levels of LO dimension among the investigated members attributed to specialization at all levels in the EDC in the education department in UNRWA.
5. There is insignificant difference between levels of LO dimension among the investigated members attributed to experience at all levels in the EDC in the education department in UNRWA.
6. There is significant difference between levels of LO dimension among the investigated who have master and others who have PhD degree at all levels in the EDC in favor of the supervisors who have master level in the EDC.
7. There is significant difference between levels of LO dimension among the investigated who have bachelor and others who have PhD degree at all levels in the EDC in favor of the supervisors who have bachelor level in the EDC.
8. There is significant difference between levels of LO dimension among the investigated who have bachelor and others who have master degree at all levels in the EDC.

1.8.8 Lee Kelley (2007).

The title of the study is **"An exploration of the relationship between learning organization and the retention of knowledge workers"**.

This study aims to demonstrate a relationship between learning organization theory and the potential to retain knowledge workers. It emphasizes that human resource (HR) managers must recognize specific relationships between learning organization elements, job satisfaction facets and turnover intent as they merge for their knowledge workers. A survey was undertaken sampling knowledge workers in the information technology (IT) industry. The instrument was designed to explore the impact of learning organization disciplines upon job satisfaction and the importance of job satisfaction in determining turnover intent. Analysis of the survey showed evidence of a relationship between learning organization disciplines and turnover intent. All the learning organization disciplines discussed in the study correlated to at least one of the job satisfaction dimensions, of which reward and challenge exerted the most significant influence upon turnover intent. The results suggest that three initial strategies should be implemented by HR managers in order to reduce possible staff turnover.

The strategies identified are first. Linking shared vision, challenge and systems thinking together via personal mastery; second, being more critical of which mental models are developed and shared within the organization; and finally, developing team learning systems throughout the organization.

This study emphasizes that Hr managers should recognize specific career needs for their knowledge workers and that adopting appropriate strategies will increase retention.

1.8.9 Chang and Lee (2007).

The title of the study is **"A study on relationship among leadership, organizational culture, the operation of learning organization and employee's job satisfaction"**.

This study aims to investigate the relationship among leadership, organizational culture, the operation of learning organization and employee's job satisfaction. A quantitative study design was employed. A total of 1.000 questionnaires were mailed out and received 134 valid replies.

The study results indicate that the various operation extents of learning organization have significant different under the dimensions of leadership, organizational culture and the operation of learning organization. Both leadership and organizational culture can positively and significantly affect the operation of learning organization. In addition, the operation of learning organizations has a significantly positive effect on employee's job satisfaction.

Although this study is adopted with questionnaire investigation and concise questions to the best of one's ability it is still not known whether the respondents can substantially understand the original contextual meaning of the questionnaire to show the results with a true reflection.

The study shows that, with the increasing number of knowledge workers in Taiwan, it is impossible for business administrators to satisfy employee's demands by means of conventional leadership. Instead, they are required to enhance their own skills in transformational leadership and through setting a good example to employees, encouraging innovation and learning activities, developing employee's potentials, giving education and training activities, etc, more money incentives, this is necessary to keep people with excellent talents.

1.8.10 Xiaohui and Baiyin (2006)

The title of the study is "**The culture of learning organizations in Chinese state owned and privately owned enterprises: An empirical study**".

By using the instrument called dimensions of learning organization questionnaire (DLOQ), and the data collected from 919 employees in nine companies located in Guangdong Province, China, the present empirical study explores the culture of learning organizations in Chinese business settings.

Findings suggest that the DLOQ is applicable to the context of china as well, and those demographic variables, such as age and educational level, together with the types of ownership of Chinese companies, such as state owned enterprises (SOEs) and privately owned enterprise (POEs), suggest differences in the culture of learning organizations. Results also indicate that the learning organization culture of a firm has strongly positive impact on employees job satisfaction and perceived organizational performance.

Two implications should be noted. First, as employees in middle age and with college education show the strongest sense of improving the learning culture, it can be inferred that demographic characters and groups may influence the organization's learning culture differently. Second, as POEs have a better learning atmosphere than SOEs, it can be inferred that POEs have a stronger competitiveness than SOEs in terms of learning ability and organizational performance.

To indigenize the Western construct and instrument of learning organizations, the present study, as an exploratory study, gives substantial knowledge on the subject and seeks to fill the gap in the literature, despite the limitations of cultural nuances and a narrowly concentrated sample.

1.8.11 Aggestam (2006).

The title of this study is "**learning organization or knowledge management which came first, the chicken or the egg?**"

This study aims to be a basis for developing guidelines for how to introduce learning organization (LO) and knowledge management (KM) in future work. The need for organizations to become learning organizations grows. To be a learning organization (LO) requires knowledge Management (KM), which in turn is dependent of a LO. It is like the chicken and the egg. It is impossible to answer the question which came first, and they are both dependent on one another for success. Literature emphasizes LO or KM, despite the fact that they are dependent. An organization that wants to become a learning organization must pay attention to both, and therefore there has to be a shift in emphasis to LO and KM.

This paper addresses this problems. It maps LO to KM, and presents, in a holistic manner, a conceptual model of LO and KM.

1.8.12 Pham and Swierczek (2006).

The title of this study is "**Facilitators or organizational learning in design**"

This study aims to determine the influence of organizational factors such as leadership commitment, incentives and interaction on learning outcomes defined as performance improvement and organizational climate.

Different aspects of knowledge acquisition, sharing and utilization were examined, related to outcomes. Design professionals in Vietnam construction firms were surveyed. The sample was 339 designers.

The impact of leadership commitment was significantly related to both performance and organizational climate. Incentives were only positively correlated with performance and staff interaction was only positive with organizational climate. The paper is supportive of many conceptual studies in the literature. The results show that each of these factors has a different role and impact on the organizational learning process and outcome.

The limitations of this study are that the sample comes from only one industry in a developing country, and it uses an attitudinal survey. Replications of this analysis in other research contexts, industries, countries and organizational characteristics would enhance the generalizability of the findings.

From the practical perspective manager who would like to facilitate learning in the organization, improve performance and promote a better organizational climate should demonstrate their commitment to learning, provide incentives to use that learning and use a more collaborative approach.

This study provides empirical evidence for the importance of leadership commitment, incentives and staff interaction on the process and outcome of organizational learning.

1.8.13 Yeo (2006)

The title of this study is "**Implementing organizational learning initiatives insights from Singapore organizations Part II**"

This study aims to further explore key issue in organizational learning and their contributions to practice and policy. It elucidates the various critical factors that influence each stage of learning four Singapore organizations were studied, from which a total of 24 organizational learning practitioners representing both the private and public sectors were interviewed.

Qualitative data was presented in the form of excerpts from the respondents in support of the key research objectives as well as key factor variables ranked in order of importance based on the number of mentions, an uncommon technique useful for an exploratory study.

The research was limited by the single geographical context that might not be totally representative of the Asian perspective. However, the paper provides room for continuation as the author introduces part III (for subsequent issue) that will further detail implications for practice and policy based on the same study.

Data revealed that the three factors common to all levels of learning are: a reward and recognition system; clear understanding of goals; and clear direction from leaders of considerable value to practitioners is the list of comprehensive factors the affect each organizational learning action plans more effectively.

1.8.14 Aramburu, Saenz and Rivera (2006)

The title of this study is "**Organizational learning, change process, and evolution of management systems: empirical evidence from the Basque Region**"

This study aims to analyze the relationship between the organizational learning capacity of manufacturing companies in the Spanish Basque Region and their management systems.

An ad hoc questionnaire was devised and addressed to the Chief Executive Officers of a representative sample of 200 companies from all manufacturing sectors of the Basque country.

The result obtained show that the characteristics of the management systems of a company (The strategy formulation process and organizational design) to not condition the learning level that can be attained as a result of an experience of concrete change, however, it is true that companies which have experienced changes in which a high level of learning has been achieved have adapted their management systems more according to what theorists deem appropriate to help future learnig.

This study allows a better practical knowledge of the existing relationship between management systems, change processes, and levels of organization learning.

1.8.15 Falconer (2006)

The title of this study is "**Organizational learning, tacit information, and e-learning: a review**"

This study aims to introduce and develop the argument that e-learning technologies and techniques can play a pivotal role in encouraging and facilitating organizational learning by transforming tacit knowledge into explicit knowledge and diffusing it throughout the organization.

By Synthesizing the evidence in organizational learning, information technology (IT) and e-learning research domains, this study challenges the assertion that tacit information cannot be effectively transformed or diffused by technological means. The notion of organizational learning is examined, particularly in relation to the applicability learning models expression and transfer in this cyclic model is examined, and the role of IT and e-learning techniques is considered as a mean of encouraging tacit knowledge transformation and flow.

Topics of reflection, independence, creation of "safe" learning spaces and the importance of collaboration in learning and demonstrated as being some of the most synergistic issues.

These are under research topics, though. There is significant potential for effective collaborative research amongst the organizational learning, IT and e-learning pedagogy research communities, addressing issues such as the effective extraction and communication of tacit knowledge.

The originality and value of this study lies in the synthesis of evidence from research and practice domains that have traditionally been disparate, demonstrating that the information technology and e-learning pedagogy fields can offer effective means of enhancing organizational learning.

1.8.16 Allen and Keith (2006)

The title of this study is "**The learning organization: a meta-analysis of themes in literature**"

This study aims to review the broad global literature to identify emergent themes, Synthesized into a multilevel framework of process and structure attributes that reflects key theoretical relationships and attributes underwriting organizational learning and change.

This study is based on meta-analysis of literature published about the learning organization and organizational learning.

The study finds a multilevel framework of process and structural attributes that reflects key relationships and attributes associated with learning and change.

The paper synthesizes the conceptual underpinnings of literature on the learning organization into a practical framework.

1.8.17 Loo (2006)

The title of this study is "**Action and organizational learning in an elevator company**"

This study aimed to highlight the relevance of management control in action learning programs that aim to foster organizational learning.

The methodology of the study was literature review plus case study. The latter consists of archival analysis and multiple interviews.

The study finds that when action learning programs are built around singular learning experiences, it can be questioned that organizational learning will materialize. This may be overcome by using action learning as a form of management control. The issue whether organizational learning can be achieved by connecting management control

and action learning has as of yet not been acknowledged in the action literature, even though it is in line with the goals of the approach.

Hardly ever are management control issues considered in action learning programs. This study takes a "lessons learned" perspective to do this, and provides valuable input for further research.

1.8.18 Abu Khadra and Rawabdeh (2006)

The title of this study is "**Assessment of development of the learning organization concept in Jordanian industrial companies**"

This study aims to examine the impact on organizational performance of the application of management and human resource practices, and to attempt to outline key elements and assess development of the learning organization (LO) concept in Jordan.

The total described in this article assesses relationships between LO practices and financial and operation performance measures. The empirical research aims at deconstructing the LO formation through the development and validation of a conceptual model. A total of 41 companies belonging to large industrial sectors in Jordan participated in a survey by responding to research questionnaire.

The study identifies the sequence of stages in the process of transformation into a learning organization in Jordan, which might be regarded as a developing country. The study culminated in a novel measurement instrument to evaluate learning organizations. Application of the tool facilitated LO constructs to be analyzed.

The outcomes of the study indicate that the LO concept can be explored in Jordanian industry using eight constructs. These constructs were found to be strongly correlated. In general, this study identifies basic steps in the process of transformation into a learning organization in Jordan.

1.8.19 Albert (2005)

The title of this study is "**Managing Change: Creating a Learning Organization Focused on Quality**"

This study aims to summarize the application of the learning organization concept and the implementation of a learning organization change process focused on improving quality in a high- technology medical instruments company.

The change process was designed to facilitate the transformation of the company from a production mentality, where the priority was getting manufactured products out-the-door, to an organization that began to systematically embrace quality as a pervasive process to manage. The change process focused on creating a learning organization, and targeted the existing mental models for understanding organizational events and taking action related to managing quality among all executives, managers and key staff.

However, rather than communicate the change process to company personnel as focused on becoming a learning organization, the change process was described more pragmatically as focused on continual improvement in quality.

Literature and perspectives from conceptual views of the learning organization, and key implications from models of change are discussed. A major intention of this article is to provide academic researchers and practicing managers with an understanding of how the

learning organization concept was successfully implemented in a medical instruments company.

In this regard, one important role for academic researchers is to publish articles describing organizational concepts so that executives and managers understand their real world applications, their bottom line benefits, and key factors related to their successful implementation.

1.8.20 Edmondson (2002)

The title of this study is "**The local and Variegated Nature of Learning in Organizations: A Group – level Perspective**"

This paper aims to clarify the role of team learning in organizational learning, it proposes that a group- level perspective provides new insight into how organizational learning is impeded, hindering effective change in response to external pressures. In contrast to previous theoretical perspectives, the paper suggests that organizational learning is local, interpersonal, and variegated.

It presents data from an exploratory study of learning processes in 12 organizational teams engaged in activities ranging from strategic planning to hands on manufacturing of products. These qualitative data are used to investigate two components of the collective learning process reflection to gain insight and action to produce change and to explore how teams allow an organization to engage in both radical and incremental learning, as needed in a changing and competitive environment.

The paper finds that team members' perceptions of power and interpersonal risk affect the quality of team reflection, which has implications for their team's and their organization's ability to change.

1.8.21 Watson (2002)

The title of this study is "**Implementing the European Foundation for Quality Management Excellence Model**"

This study focuses on establishing the rationale for implementing the EFQM model. The advocated advantages are established. The scoring process is demonstrated using the EFQM RADAR (Results, Approach, Deployment, Assessment and Review). Further original work is presented by the author on the scoring model to include the "RADAR" Pentagonal Scoring Profile.

The study was conducted upon fifty companies via a structured questionnaire, this was done to test the theoretical advocated advantages of EFQM Excellence Model application.

The results of the research show that the majority of sampled companies found that the model was simple, holistic, dynamic, and flexible. They also agreed that the model could enhance the understanding of TQM among senior management and enable the identification of a company's strength's and weaknesses. The main reason offered by the sampled companies for applying the EFQM approach to quality was self assessment. This empowered organizations to achieve a top quality performance in all areas, in other words, to achieve TQM within their organization. The research results established that most of the theoretical advantages relating to the benefits derived from the application of the Model

could be achieved in practice. The research also established some problems that construction firms could face during implementation and these are addressed below.

1.9 comments on previous studies:

In last section some recent studies had been reviewed. These studies ranged between the years (2002-2011). Some of these studies were applied in the Arab world where the researchers used Dimensions of learning organization Questionnaire (DLOQ) as a research tool which had been used in this study too.

There are also many global studies, the majority of them were about the existence of learning organization concept, learning organization disciplines, learning organization characteristic, key steps organization has to follow to be a learning organization, and the impact of the existence of learning organization characteristics on organizational performance, management systems, human management and financial management. This study had extinguish in studying the impact of existence of learning organization disciplines on institutional performance by using the European foundation quality management (EFQM) and the correlation between each of learning organization disciplines (as independent variables) and the seven elements of institutional performance according to EFQM excellence (as dependent variables) and to be applied on PalTel.

Chapter (2)

Review of literature

Section1: The Learning Organization (LO)

Introduction:

The concept of learning organization has taken its prominence in the past several year as a way to achieve competitive advantage. Companies are argued to become a "learning organization" to develop their learning capability for survival and maintaining competitiveness.(Al-Asour, Al-Weshah, 2011) in this chapter we attempt to clarify the concept of "learning organization" and other important statements, such as single and double loop learning, transformational and adaptive learning; learning process; and system thinking. Also highlight the levels of learning and the factors influence it, organizational learning process and its relationship with learning organization, and the characteristics of learning organization from many authors point of view. Also, this chapter will shed light on knowledge management and its relationship with learning organization.

2.1.1 The concept of learning organization:

Modern organizations seem to have little choice but the adapt to the relentless pace of change or face the risk of extinction. Rapidly changing technology, globalization, uncertainty, unpredictability, volatility, surprise, turbulence, and discontinuity are indeed commonly popularized in the literature as some of the major environmental challenges facing organizations in the new century. (Brodbeck, 2002).

These changes have invited organizations to revisit their traditional bureaucratic orientation and embrace a range of new characteristics that promote proper environmental alignment and improved competitive fit and long term viability. There is indeed a stark realization that the traditional bureaucratic approach is no longer suitable to support competitive positioning in a hyper- dynamic environment. The past decade has witnessed the ascendancy of alternative paradigms, of which the learning organization happens to be the most prominent. (Jamila & Sahyoun, 2006).

The concept of learning organization, most often attributed to Senge (1990), revolves around the identification of characteristics of organizational culture and climate that help developed a learning culture. Hawake (2002) defined a learning culture as: The existence of a set of attitudes, values and practices within an organization which support and encourage a continuing process of learning for the organization and/or its members. Learning organization has been defined by many authors such the definition of Senge (1990), who argued that a learning organization is one "where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, and where collective aspiration is set free, and where people are continually learning how to learn together".

Since Pedler (1991) defined the learning organization (LO) as an organization that facilitate the learning of all its members, thereby enabling it continually transform itself in accordance with the prevailing operating context. It is in essence a type of organization that promote continual organizational renewal by weaving in/embedding a set of core processes that nurture a positive propensity to learn, adapt, and change.

Garvin (2000) suggested that a learning organization had a defined learning agenda, was open to discordant information, avoided repeated mistakes, did not lose critical knowledge when key people left, and acted on what it knew. Hawake (2002) claim that the learning organization was "often a piece of shorthand to refer to organizations which try to make a working reality of such attributes as flexibility, team work, continuous learning and employee participation and development".

Tjepkema (2002) description of a learning organization included that it make use of the learning of all employees, and Yeo's (2005) review of the concept concluded that is based on a belief that the collective learning of the organization's members will result in improved organizational performance and competitive advantage.

The concept of the learning organization is, however, contentious, and has been criticized as merely a management tool for controlling the workers. Bratton (2001), for example suggested that it may be a "subtle way of shaping workers beliefs, values and behavior"

Critics saw it, according to Dymock (2006), as a modern management fad designed to maximize benefits for the employees or workers".

From previous definition learning organization can be defined as "an organization that has a new vision in managerial business, which is different from other traditional organizations, insisting on creation, knowledge acquisition, and knowledge transfer to all managerial levels, it also has specific organizational goals that all individuals must share its stored knowledge and work hard to enrich that storage by their experiments and experiences. The advantage of this organization is its capability of continuous learning and improving its performance and competitive advantage.

In recent years, the detail of the concept has expanded to cover a range of more specific areas, such as single and double loop learning, transformational and adaptive learning; learning process and system thinking.

2.1.1.1 Single/ double loop learning and adaptive/transformational learning:

Single and double loop learning refer to different hierarchical levels of learning within an organization. In single loop learning, errors are detected and corrected in a "continuous improved" process through incremental or adaptive learning (Stewart, 2001). Double –loop learning demonstrates a deeper level questioning and challenging of organizational success formulas. This represents transformational learning, which seeks to introduce radical change. Much of the focus in research builds on the work of Senge (1990), who emphasized the advantages of double-loop learning over single loop learning.

However, some authors argue that this takes on unnecessarily narrow view and suggest that on approach which combines both single and double loop learning perspective provide a more balanced outlook towards human resource development (HRD). (Appelbaum and Goransson, 1997).

2.1.1.2 System thinking:

System thinking provides a methodology for understanding organizations as a whole by exploring their patterns and the nature of interrelationships. (Appelbaum and Goransson, 1997)

Senge (1991) works about system thinking and its application to organizations introduced the idea as the basis for developing a LO.

2.1.2 learning organization characteristics:

The learning organization is in essence a type of organization that promotes continual organizational renewal by weaving in/embedding a set of core processes that nurture a positive propensity to learn, adapt and change. The most commonly mentioned characteristics are the five disciplines, popularized by Peter Senge, namely personal mastery, mental models, shared vision, team learning and systemic thinking.

A discipline according to Senge (1990), is "a body of theory and technique that must be studied and mastered to be put into practice". A discipline in other words can be conceived as a higher order capability from the gradual integration of an assortment of competencies and skills. These disciplines are never fully mastered, but gradually nurtured by the best organizations; organizations can thus develop gradual proficiency through practice or by acquiring new competencies over time (Senge, 1990). This consists of will the frequent characterization of the learning organization as a journey, rather than a destination. (Jamila & Sahyoun, 2006).

2.1.2.1 Personal mastery:

Personal mastery can be defined as: "continually clarifying and deepening our personal vision of focusing our energies of developing patience, and of seeing reality objectively" (Senge, 1990). The personal mastery discipline is certainly nurtured by processes of empowerment, commitment and communication. The commitment to learn required in learning organizations stems in the first place from a sense of personal efficacy.

Empowerment with its associated sense of self efficacy encourages individuals to pursue their growth process, to seek development opportunities, to surface, experiment, challenge and adapt, hence nurturing the drive towards personal mastery. Through a heightened sense of autonomy and self control empowerment offers prospects of sustaining employee performance and reinforcing the dedication to learning, growing, and self engagement. (Jamila & Sahyoun, 2006)

Personal mastery also builds on commitment to continuous learning and a willingness to devote time, energy and personal resource to learning. Commitment to individual learning is vital, given that organizations learn only through individuals who learn (Senge, 1990).

Commitment stems from a belief in and acceptance of organizational goals and values, and translates into willingness to exert effort toward organizational goal accomplishment. When organizational goals and individual goals coincide - both revolving around learning - commitment and personal mastery become mutually supportive and reinforcing. Higher levels of commitment translate into increased motivation and involvement in the pursuit of self development, along with heightened levels of performance and satisfaction.

The personal mastery discipline finally builds on good communication processes communication provides critical feedback about choices and action, fostering greater self awareness, beyond awareness that stems from simple reflective introspection .

Communication is thus critical for satisfying the appetite for quality feedback as employees pursue continuous self development. Communication also creates the climate environment necessary to foster commitment and empowerment. It is thus clear that these

three ingredients should be simultaneously nurtured / integrated in the pursuit of the personal mastery discipline. (Jamila & Sahyoun, 2006).

2.1.2.2 Mental Models

The discipline of mental models is in turn supported by team work and effective communication. It is through working in teams that organizational members discover, explore, adopt and perhaps adapt new approaches, share their individual insights and concerns and challenge ideas and assumptions. Through the dialogue of teams, ideas are probed, new insights are gained, quick verification validation is made possible, paving the way for changing mental models as appropriate. Teams are hence powerful vehicles for reflection and for unearthing internal pictures in the context of the group.

Communication in turn ensures the articulation of ideas, making tacit ideas part of purposeful conversation and making conversation evolve into experimentation, trial and implementation changes in mental models are made possible through the effective use of various means of communication (brainstorming, dialogue, inquiry) facilitating the exchange of ideas the sharing of understanding (Bennet & Bennet, 2004). Effective communication is hence instrumental in uncovering perceptual gaps and incongruence in mental models and plays a key role in facilitating collaborative learning and transforming mental models within a group (Holton, 2001).

2.1.2.3 Shared vision:

The shared vision discipline builds on communication, commitment and trust. According to Senge (1994), "a true shared vision cannot be dictated; it can only emerge from a coherent process of reflection and conversation". It is clear that the dissemination of a shared vision capitalizes on effective communication, given that, as per, the real power of a vision is unleashed only when most of those involved in an enterprise have a common understanding of its goals and direction. Effective vision dissemination hence requires making use of special collaborative communication channels - open, meaningful and easy to use - to facilitate continuous dialogue and unity of purpose.

But it is also difficult to conceive of the pursuit of a common future and destination without commitment and trust. Affective commitment stemming from a genuine alignment with the values and norms of the organization is likely to translate into vigor in the pursuit of a shared vision. Trust in turn influences the success of long term coordinated action by diffusing negative attitudes and influencing the quality of interpersonal interactions.

Commitment and trust are thus necessary ingredients in the pursuit of the shared vision discipline, by nurturing a sense of belonging and ownership, pulling individual members together and drawing them into countless acts of consensus and cooperation. (Bennet & Bennet, 2004).

2.1.2.4 The Team learning:

The team learning discipline obviously capitalizes on teamwork and communication. Team based learning encourages people to think together and diffuse their knowledge and skills from the level of individuals to the members of the collective. The valuable and hard to decode tacit knowledge of individuals can thus be shared collectively, and the new skills can be practiced and taught to other members of the team (Wang & Ahmed, 2003). Teams can leverage information and knowledge, broaden team member

competency and bring a diversity of thinking knowledge and behaviors to bear on understanding and action (Bennet & Bennet, 2004).

The team learning discipline is in turn directly linked to effective communication. It is through deep dialogue that individuals learn to suspend their assumptions and judgments and reflect individually and collectively upon emerging ideas and thoughts. Communication thus facilitates the flow of data, information and knowledge through teams and communities. The other role of communication according to Elving (2005) is to create a sense of community within an organization. Communication is hence an important antecedent of self categorization and group identify formation, and plays accordingly a vital role in reinforcing the team learning discipline.

2.1.2.5 Systemic thinking:

Systemic thinking is in essence the discipline that helps evolve a capacity for putting pieces together and seeing the whole. In the absence of effective communication, systemic thinking is effectively undermined. Communication is essential in enhancing situational understanding. Communication promotes agreement and understanding expanding in turn employee's ability to identify patterns and interrelationships and apply their experience and professionalism to problems and opportunities in ways that can best contribute to overall objectives.

But systemic thinking also capitalizes on the ability to assess the organization and its business environment holistically and constructively, and will only thrive in the context of flexible organizational designs that foster openness, dialogue, cross-fertilization of ideas and then consolidation and integration. Flexibility is a critical supporting ingredient for the systemic thinking discipline in the sense of enhancing the ability of members of the organization to process and synthesize new information, to apply a variety of thinking styles and core competencies to issues and problems, and to configure and reconfigure knowledge in new and creative combinations (Jamila & Sahyoun, 2006).

Mirvis (1996) notes that the learning organization focuses on managing chaos and indeterminacy, flattening of hierarchies, decentralization, empowerment of people. Teamwork and cross functional teams, network relationships, and the adoption of new technologies and new forms of leadership and mentoring.

2.1.3 The learning Process:

For learning to occur, there is a need for processes and structures to be put in place to help people create new knowledge, so that they can continuously improve themselves and the organization (Maqsood, Finegan & Walker, 2006). Theories relating to the process of learning emphasize the continuous of learning.

Learning cycle is perhaps the most established descriptive model of individual, team and organizational learning. This explores the cyclical pattern of four stages in learning experience, reflection, conceptualizing and finally action. Ttuber's (1991) construct of organizational learning constitutes of four sub-process, which in turn include further sub-sub processes.

Nevis et al. (1995) suggest a similar knowledge based-structure for organizational learning process. This consists of three stages: knowledge acquisition, knowledge sharing and knowledge utilization. However, Appelbaum and Goransson (1997) argue, that both models refers to the cognitive processes of learning that take place in organizations and

thus constitute only one aspect of organizational learning. The other aspect is social construction of organizational learning. This refers to the self reflective process involved in transforming cognitive learning into abstract knowledge.

It also refers to the symbolic and political processes through which organizational leaders develop their identity. (Raiden & Dainty, 2006).

2.1.3.1 Levels of Learning:

Individual learning can advance organizational learning. So, our understanding of organizational learning can be taken from the "ontological dimension" point of view, which is knowledge transfer from individual, team, organization to inter organization levels (Hong, 1999).

2.1.3.2 Critical factors influencing different levels of learning

The following factors are ranked in order of importance. These factors are grouped in three levels – individual, team and organization.

Level 1: individual learning:

1. Clear standards of performance.
2. Clear set of rules which are easy to appl.
3. Sufficient practice and feedback.
4. An open reward and punishment system.
5. Motivation of individuals.
6. No fear for competition or comparison.
7. Willingness to change one's way of doing things and taking risks.
8. Individuals state of health; ability to withstand tedious and repetitive or tasks that do not require much thought or individual input.
9. Training skills of trainers/coaches.

Individuals learn best when they have set personal goals that will consequently impinge on their professional development and individual aspirations. In order to align the relevance of personal goals to the vision and mission of the organization, supervisors need to constantly provide feedback and clarify these goals. One way, of course, is to reward employees adequately based on their contribution towards the larger scheme of things. Conversely suitable punishment is a necessary means of ensuring that everyone moves in the same strategic direction set by the top management. Off tangent learning is one that individuals learn for selfish personal reasons without any intrinsic contribution to the organization's business operation. (Yeo, 2006).

Level 2: Team learning

1. Group cohesion including mutual respect from team members.
2. Employee's readiness and willingness to work with and learn from others.
3. Group rewards and sanctions; reward system not pegged to individual performance.
4. Clear direction from supervisors.
5. Clear understanding of team goals.
6. Defined roles and responsibilities.
7. Clear structure of work tasks and processes.
8. Employees well trained in the tools of such learning.

The key to successful team learning in building on the strengths of each individual to overcome his/her own shortcomings. It's a case of: "what I don't know about, I learn from you

and what you are not proficient in. I will give you a hand." Similar to the previous level, clear determination of goals for a team is of utmost importance to the scope of learning for its members, Group dynamics evident in team spirit, mutual respect, understanding and motivation are all crucial to team learning. That said, the role of the team leader, often the supervisor, cannot be underestimated. He/she necessarily takes charge through facilitating, coaching and reflecting. Above all, management should, in addition to personal incentives, reward teams for their learning ability and capacity, leading to productive outputs and agility to respond to rapid changes in the business environment. (Yeo, 2006).

Level 3: Organizational learning

1. Strong commitment of every individual including self motivation.
2. Top management commitment and leadership.
3. A sense of ownership experienced by individuals.
4. Alignment of personal and team values to corporate values.
5. Having a shared vision.
6. An open reward and recognition system.
7. Good opportunities to grow professionally.
8. Clear accountabilities for performance.
9. Effective deployment strategies to all levels of employees.
10. Employee intelligence based on educational background.
11. Effective organizational communication.
12. An open and Flexible management system and structure.

This is the level where all sub groups combine together to bring learning at the organizational level to greater heights. This can only be achieved through the strong communication of a shared vision and the demonstration of effective leadership. There must be sufficient belief from individuals that what they are doing (or learning) is valued by top management. A crucial motivating force will be that of an open reward and recognition system that will challenge each sub group to perform beyond its designated boundaries. In order to ensure that each sub group perform to its optimum, strategic deployment of employees based on their personality, professional expertise and educational background is crucial to building effective work teams. Taken collectively, the organization will be on a transformational process towards becoming learning organizations. (Yeo, 2006).

2.1.4 Process of Organizational learning:

Organizational learning is the set of processes used to obtain and apply new knowledge, behaviors, tools and values. Organizational members detect errors or anomalies and correct them through this process by restructuring organizational theory that they use and by improved action through their improved knowledge and understanding of how these errors or anomalies occur. The process of organizational learning leads to change in an organization's range of potential behaviors that can be adopted, its creative capacity to deliver the results it truly desire, and encourage new expansive pattern of thinking to be nurtured (Maqsood, Finegan & Walker, 2006).

The prevalent paradigm of understanding the collective process of cognitive change in organizations has taken very much from Huber's (1991) perspective in which he defines organizations as single entities having the same information searching and processing behavioral responses individuals. Learning activities first take place in the cognitive structure of the organization in the form of shared mental models or organizational knowledge structure. The objective is to increase their ability of searching, encoding

distributing, and interpreting the external information, which is called the "absorptive capacity" of the organization.

Organizational knowledge structure is not just merely the knowledge structure of the top level management, or the so called dominant logic, but is developed through a consensus process in which the main concept is identified, and the relationship between concepts discussed. (Maqsood, Finegan & Walker, 2006).

Four components are developed to describe the learning process, which are:

1. Knowledge acquisition.
2. Information distribution.
3. Information interpretation and
4. organizational memory.

The model is normative and nature, concerning organizations as interpretive systems. So the more closely the collective thinking of all significant individuals is aligned, in the sense that different individual perspectives are understood and respected, the more effectively organizations can interact with the environment and interpret the meaning of different signals continuously in order to survive. The interpretation processes includes environmental scanning interpretation and learning. From the understanding of the meaning of data collected, subsequent actions are undertaken by organizational members to align with the environmental to be competitive and innovative. (Hong, 1999).

2.1.4.1 Knowledge Acquisition:

The organization learning cycle starts with the collection of information, both from internal and external sources.

Market research, corporate intelligence, and news from published sources constitute the external information source. Learning the experience of other companies and new employees is a common phenomenon in organizations. According to Ingram and Baum (1997), organizations can learn from two resources of experience to improve performance, namely their own and industry experiences. Learning from their own experience will benefit the firm in the short run, but the effect will eventually decline due to the problem of "myopia of learning". It occurs when organizations are less willing to engage in novel actions to explore new technologies actions due to past successful stories or neglect of the distant future. On the other hand, organizations also learn by direct experience.

Through the feedback of cause and effect relationship, organizations can change beliefs and adjust their organizational routines. (Hong, 1999).

2.1.4.2 Information distribution:

Daft (2008) propose three areas of concern for the distribution of information in organizations, there being message routing, message delay, and message distortion.

Message routing decides who should receive the information. Message distortion influences the accuracy of the meaning communicated. All of these factors depend on the workload, power status, information relevance, frequency of interaction, expected consequence, and distribution cost.

Therefore, an organization's absorptive capacity does not simply depend on the organization's direct interface with the external environment. It also depends on transfer for knowledge across and within subunits that may be quite removed from the original point of entry.

2.1.4.3 Information interpretation:

Information collected and distributed is then given meaning "interpretation is the process of translating these events, of developing models for understanding of bringing out meaning, and of assembling conceptual schemes" (Daft, 2008).

2.1.4.4 Organizational Memory:

As organization evolves over time, successful events will lead to repetitive behavior and reinforce "the theory of action". It will be difficult for the organizations to "discard their old knowledge and adopt new behavior, inhibiting the organizational capability to learn new insights. Unlearning involves changing dominant culture, encouraging continuous experimentation, setting up good information access, human resource practices, and rewarding systems, and providing good leadership in a learning organization. In serious times, it is necessary even to replace top level managers to "ease the dominating ideas, to disconfirm past programs, to become receptive to new ideas, and to symbolize change".

Organizations do not have brains, but they have cognitive systems and memories. As individuals develop their personalities, personal habits, and beliefs over time, organizations develop world views and ideologies. Members come and go, and leadership change, but organization's memories preserve certain behaviors, mental maps, norms and values over time.

Organizational memory addresses the issues of how knowledge resides in the organizations.

It is embedded in different entities, namely physical location, operating procedures, individuals, codes of conduct and culture. Walsh and Ungson (1991) argue that "organizational memory is both an individual and organizational level construct". The implications for this definition of organizational memory concern the way information is stored, the types of information contained and the information acquisition and retrieval process. Knowledge structure in an organization is divided into the core and the peripheral structure. The core set is the widely agreed and understood knowledge about the firm's general purpose, mission and competitors while the peripheral structure support the core set but there may be not widespread consensus. (Hong, 1999).

2.1.4.5 Organizational learning and learning organization:

In resolving the discrepancy between the terms of "organizational learning" and the learning organization", love (2002) suggested that organizational learning is used mainly as a descriptive term to explain and quantify learning activities. The learning organization refers to an organization that is designed to enable learning and has an organizational structure with the capability to facilitate learning. (Maqsood & Finegan & Walker, 2006)

2.1.5 Knowledge management:

Introduction:

Organizations must "know what they know" and must share knowledge in order to learn how to cope and perform their activities affectively. They learn through this knowledge sharing to also perform their activities better, in a more appropriate manner to their organizational environment.

2.1.5.1 The concept of knowledge management:

Knowledge Management is making available the right information to all employees in the organization when they need it and in an easily digestible format, thus the employees can leverage experiences and make more effective business decisions.

This is done by individuals and groups in pursuit of major organizational goals. Here it is the process through which organizations use their institutional and collective knowledge while creating by incorporating organizational learning. Knowledge production, and knowledge distribution.

Knowledge management has been defined by many authors; Rastogi (2000) argued that knowledge management is an integrative and systematic process of coordinating organization wide activities in acquiring creating, storing, sharing, diffusing, develop, maintain, leverage and renew intangible assets which are often called Knowledge Capital or Intellectual Capital (Stewart, 2001). It is accepted as the process of creating value from an organization's intangible assets. Knowledge management not only involves the production of information, but also the capture of data at the source, the transmission and analysis of this data, as well as the communication of information based on, or derived from, the data to those who can act on it.

Knowledge management is not a technical project. It is driven by business objectives to create business value, and technology must meet these objectives. The purpose of knowledge management applications is to create, capture, organize, access and use the intellectual assets of the organization. They are intended to provide the user of knowledge with the ability to acquire, document, transfer, create and apply knowledge. They are very dependent obviously on corporate strategy for the conversion of knowledge and thus the content subscribed to will be related to this.

The success of knowledge transfer may be highly dependent upon employee's perceptions of one another (reputations), how they manage their relationships with others (culture), and what inducements are offered to motivate these activities (incentives) (Aggestam, 2006)

Below, these concepts will be examined to better understand their role in knowledge transfer.

1. Reputation:

As employees contemplate engaging in knowledge transfer activities, they are likely to focus on the reputations of their counterparts. Reputation is the opinion of others about the ability of another to meet their expectations. Information on the reputations of employees are based on past performance, what has been said about them over time, and the history of their interactions with other employees, reputations involve assumptions about the value of prior actions to future expectations.

Employees have both general and specific reputations. General reputations refer to the overall abilities of employees, while specific reputations refer to the abilities of employees to meet expectations in specific instances. While general reputations may serve as a proxy for specific reputations, the reverse does not hold. Employees may be good at doing some things but bad at others. Failure to understand what employees do well may lead to false expectations. However, if employees have good general reputations, one can assume that this will translate into everything they do. Employees with good general reputations are likely to strive for excellence in everything they do, while those with good

specific reputations focus on continuing to do only the things they do best. (Ogilvie & Lucas, 2006)

2. Culture:

Culture, a system of shared values and assumptions, is critical to any organizational activity. It dominates how organizations function, how employees interact, and how decisions are made. Culture represents a core set of values governing the attitudes employees adopt toward change and their approaches to the introduction of something new.

For culture to contribute to the knowledge transfer process, it must have a strong set of core values and norms that encourage the sharing of information and active participation of employees in the process (Hult, 2004). This culture of sharing and participation involves employees seeing knowledge as an organizational asset to be shared with their colleagues.

As this culture of sharing emerges, knowledge transfer efforts flourish because there is a greater exchange of information about what exists, what works, what practices have major problems, and what solutions have been successfully applied.

In a culture where sharing of information is encouraged, repairmen contributed to the successful completion of their jobs and the development of communities of practice by sharing stories about their experiences. By sharing stories, repairmen developed a collective memory that was available to other colleagues dealing with unfamiliar problems. A culture that promotes the sharing of information and active participation of employees will result in the development of specific routines that support knowledge transfer. By creating a culture that encourages sharing, employees see knowledge as an asset to be shared with others, rather than as just belonging to them. This cultural perspective helps knowledge acquiring employees to access information about new practices that they acquire from their colleagues and about the best ways to do so. (Ogilvie & Lucas, 2006).

3. Incentives

Incentives are critical to the knowledge transfer, acting as signals for employees to engage in knowledge transfer. When these incentives are absent, it becomes more difficult to effect successful knowledge transfer. Porter (1985) further supports this assessment, stating that "the mere hope that one business unit might learn something from another is frequently a hope unrealized". Many difficulties in knowledge transfer can be traced to the assumption that it is a natural process. To the contrary, employees must be induced to engage in this activity whose outcome is highly indeterminate. Incentives perform two significant roles in the knowledge transfer process. First, they are a reward for either successful transfer of knowledge transfer or the realization of specific performance improvements as a consequence of knowledge transfer (outcome – based). Outcome-based incentives provide ex-post rewards to employees for achieving some stated and measurable objective. Second, incentives motivate parties to participate in the knowledge transfer process (behavior–based) . Behavior-based incentives serve as the basis for influencing a change in the way employees do their jobs. Behavior based incentives are designed to motivate employees to share information about practices that can be adapted to their needs with colleagues.

To induce participation, management must establish incentives that act as triggers to encourage participation and meet the expectations of employees. Sherif (1985) suggests that incentives can be used to induce cooperative behavior as part of the super ordinate

goal by which the group's performance will be judged. In effect, incentives act as triggers to encourage the pursuit and achievement of the super ordinate goal of knowledge transfer. From the process perspective, incentives can encourage employees to change the way they do things. Absent this encouragement, employees are likely to resort to old behaviors and use problems with new approaches as excuses for not adopting them. If employees know that they will be rewarded for participating in the knowledge transfer process, then more instance of knowledge transfer will likely occur. Incentives that encourage the transfer of knowledge across units will likely lead to more cooperative behavior.

Knowledge management should include both explicit and tacit knowledge, because if it only concerns explicit knowledge then it could be difficult to distinguish it from information management. Learning requires that individual personal knowledge is transformed into information that other members of the organization can use (Jensen, 2005). Knowledge management is a response to the concern that people must be able to translate their learning knowledge to information and store the information, since this is the only way we can store knowledge. This information, or stored knowledge, is accessible for other employees to use. Translating individual learning into information, or stored knowledge, that others can use is one important part of knowledge management. (Kezar, 2005).

2.1.5.2 The relationship between learning organization and knowledge management:

Knowledge Management is a divergence from the literature on the LO. Learning in organizations requires individual personal knowledge to transform into information that other members of the organization can use. Knowledge management refers to the process in which organizations assess the data and information that exist within them, and is a response to the concern that people must be able to translate their learning into usable knowledge. During the knowledge management process the knowledge goes through different changes, and there are knowledge losses, both desirable and undesirable, where undesirable losses should be minimized as much as possible.

Organization learning requires knowledge management. A learning organization focuses on the learning process, and knowledge management focuses on the result, the output from the learning process. The aim of knowledge management is to create value for the organization. It includes activities such as creating, organizing, sharing and using knowledge. Most people in the organization that perform knowledge management activities need to carry out knowledge management activities in their normal day to day activities. A comparative analysis between learning organization and knowledge management has been made in order to identify relationships, differences and similarities. The table below presents this comparative analysis. The first column presents the keywords, the second column includes a brief comments about its appearance in learning organization, and the third column it's appearance in knowledge management. (Aggestam, 2006).

Table 2-1 a comparative analysis between LO and KM

Keyword	LO - "an entity", which requires KM	KM - "a process", which assumes a LO
Culture	A LO has a learning culture. (e.g. Personal Mastery, Team Learning, Mental Models).	Culture constraints the efficient use, because KM is carried out by individuals
Leadership/management	Leadership fosters the culture	Management has a central role, but act within a culture
Vision	A shared vision is necessary	KM must have a vision
Work processes	A LO integrates attention to every aspect of knowledge	KM must be integrated
Organizational learning	A LO is good at OL, OL is a collective cognitive process	Knowledge is the result of OL
External factors	Must meet these demands	-----
Internal factors	Must meet these demands	Constraints the efficient use, e.g. culture and IT
System's thinking	How a LO thinks about the world	-----
Organizational Memory	-----	E.g. data repository
Technical	-----	Is a prerequisite

Source: Aggestam, 2006

This comparative analysis has clearly shown relationships, differences and similarities between learning organization (LO) and knowledge management (KM). so learning organization and knowledge management is about the same thing. But with different aims and on different levels. (Aggestam, 2006)

Section 2: Institutional performance

Introduction:

No matter what business strategy and production location a company chooses, a framework is needed to help secure strategy implementation and target fulfillment. This is where some companies choose the excellence approach. By implementing the framework and thought process of quality systems like the EFQM Business Excellence Model in Europe, the Malcolm Baldrige National Quality Award in USA or the Deming Prize in Japan. The quality frameworks focus on achieving excellence through quality and process management. Giving senior management a "mirror" where they can visualize the organizations performance. (Galatius, 2009)

This chapter will shed light on these modes, particularly the EFQM excellence model since it's the most popular framework for excellence institutional performance and its criterion will be used as assessment tool in this study.

2.2.1 The European Foundation Quality Management Excellence Model (EFQM):

The EFQM Excellence Model was introduced at the beginning of 1992 as the framework for assessing applications for European and National Excellence Award. It is the most widely used organizational framework in Europe where it has become the basis for the majority of national and regional Excellence Awards as well as the European Excellence Award (EEA). (www.efqm.org).

There are three key aspects of the model:

1. The Fundamental Concepts of Excellence: The underlying principles which are the essential foundation of achieving sustainable excellence for any organization.
2. RADAR logic: A simple but powerful tool for driving systematic improvement in all areas of the organization.
3. The EFQM Excellence Model: A framework to help organizations to convert the Fundamental Concepts and RADAR thinking into practice.

2.2.1.1 The Fundamental concepts of excellence Concept Definitions:

Concept Definitions:

1) Achieving Balanced Results

Excellent organizations meet their Mission and progress towards their Vision through planning and achieving a balanced set of results that meet both the short and long term needs of their stakeholders and where relevant, exceed them.

2) Adding Value for Customers

Excellent Organizations know that customers are their primary reason for being and strive to innovate and create value for them by understanding and anticipating their needs and expectations.

3) Leading with vision, Inspiration & Integrity

Excellent organizations have leaders who shape the future and make it happen acting as role models for its values and ethics.

4) Managing by Process

Excellent organizations are managed through structured and strategically aligned processes using fact-based decision making to create balance and sustained results.

5) Succeeding through people

Excellent organization value their people and create a culture of empowerment for the balanced achievement or organizational and personal goals.

6) Nurturing Creativity & Innovation

Excellent organizations generate increased value and levels of performance through continual and systematic innovation by harnessing the creativity of their stakeholders.

7) Building Partnerships

Excellent organizations seek, develop and maintain trusting relationships with various partners to ensure mutual success. These partnerships may be formed with customers, society, key suppliers, educational bodies or Non-Governmental organizations (NGO).

8) Taking Responsibility for a Sustainable Future

Excellent organizations embed within their culture an ethical mindset, clear values and the highest standards for organizational behavior, all of which enable them to strive for economic, social and ecological sustainability. (www.efqm.org)

2.2.1.2 RADAR Logic (Results, Approach, Deployment, Assessment, Review)

A new key concept for the Excellence Model is RADAR, which is the essential business logic underlying the model and determining the success of the search for performance improvements.

The fundamental elements of the concept are Results, Approach, Deployment, Assessment and Review. (Watson, 2002).

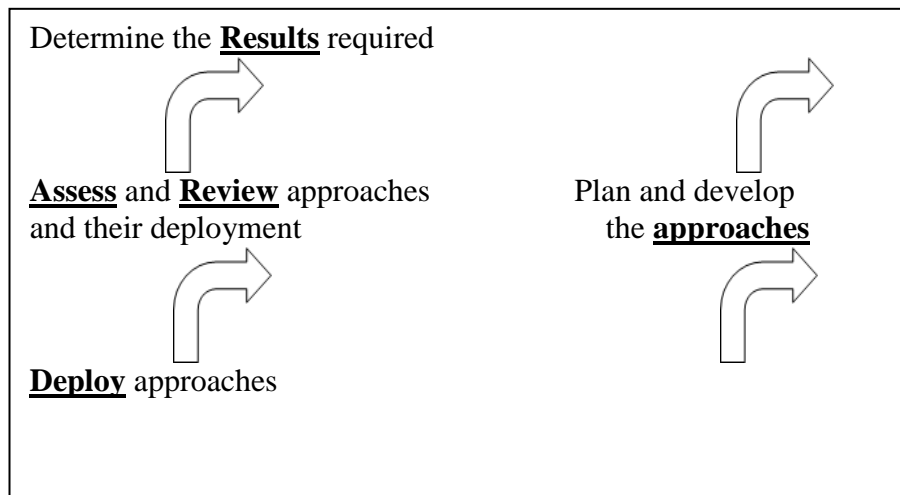


Figure 2-2 : the criteria underpinning the RADAR concept

Source: Watson, 2002

The RADAR logic states that, to be successful, an organization must

1. Determine the required RESULTS it is aiming for as part of its strategy making. These cover the performance of the organization, both financially and operationally, as well as the perceptions of its stakeholders.
2. plan and develop an integrated set of sound APPROACHES to deliver the required results both now and in the future.
3. DEPLOY the approaches in a systematic way to ensure full implementation.
4. ASSESS AND REFINE these approaches by monitoring and analyzing the results achieved, using ongoing learning activities and, finally, identifying, prioritizing and implementing appropriate improvements. (www.efqm.com)

2.2.1.3 EFQM Excellence model:

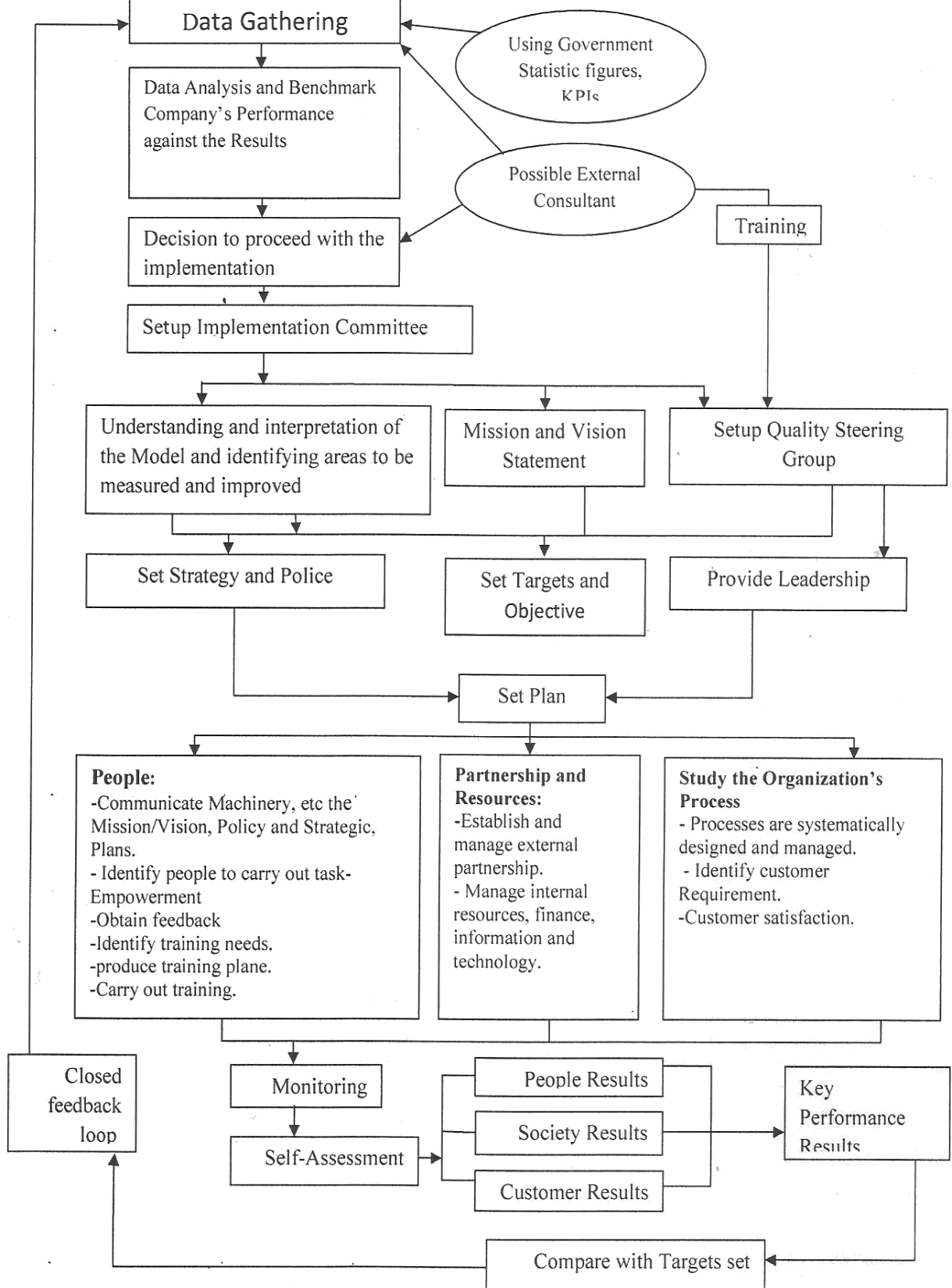


Figure 2-3: EFQM Excellence Model

Source: Watson, 2002

2.2.1.4 EFQM model criteria:

The EFQM Excellence Model allows people to understand the cause and effect relationships between what their organization does (the Enablers) and the Results it achieves. The Model is non-prescriptive and can be applied to any organization, regardless of size, sector or maturity. To achieve sustained success, any organization needs strong leadership and clear strategic direction. They need to develop and improve their people, partnerships and processes to deliver value-adding products and services to their customers. (www.efqm.org)

Enablers Criteria

1- leadership

Excellent organizations have leaders who shape the future and make it happen, acting as role models for its values and ethics and inspiring trust at all times. They are flexible. Enabling the organization to anticipate and react in a timely manner to ensure the ongoing success of the organization. (www.efqm.org).

1.1 leadership theories and models:

Proposed leadership theories and models are plentiful; one of the first theories was the Great Man Theory, and other trait-type theories followed. The underlying premise with these early trait theories was that a person was born with certain traits and therefore "leaders were born, not made". More recent theories and models have moved beyond earlier theorized work and acknowledged that leadership is not something individuals are born with but rather a set of skills or behaviors that defines an individual as a certain type of leader or having a certain style of leadership, such as transformational, servant, and charismatic. (Jogulu, 2010)

1.2 Leadership Styles and approaches:

"Leadership is one of the most observed and least understood phenomena on earth" (Burns, 1978). Fortunately, much of the leadership research complete over the past several decades has assisted us to gain better insight into the history of leadership styles and approaches and their impact on society. For instance, research in recent years has been aimed at a better and more thorough understanding of what make an effective leader. Although, leadership was regarded as an inherent ability to influence others by controlling the behavior of other members of a group, leadership styles have evolved and extended beyond influence, to include motivation and enabling of others to help achieve organizational goals.

In contemporary research the focus is on an exploration of the behaviors that constitute effective leadership. This philosophy underpins the emergence of transformational leadership and transactional leadership. (Burns, 1978) developed a comprehensive theory to explain the differences between the behaviors of political leaders by using the terms "transactional" and "transformational". He defined transactional leaders as people who emphasize work standards, and have task oriented aims, while transformational leaders perform their leadership within the organizational constraints and adhere to the existing rules and regulations.

They aim to make sure that all the regular organizational tasks are completed on time.

Power, authority and control are rooted in this behavior because organizational targets are achieved by rewarding or disciplining subordinates in the style of a transaction. The implicit understanding was of a task needing to be carried out and, if satisfactorily

completed, a reward would be forthcoming. Such reward-based action was intended to influence and improve employee performance.

However, much of the research that contrasted transactional approach is transformational style. Here communal traits with inspirational values are ascribed to define leadership.

Transformational leadership attributes are associated with nurturing and carrying; the role is typically viewed as an ability to show consideration and develop the followers to achieve their fullest potential. Leaders are inclined to lead in ways that are encouraging and motivating because communal characteristics are largely beneficial in producing and fostering self-worth and self-confidence amongst subordinates. (Burns, 1978)

Bass (1996) and his colleagues built on the early work of Burns, and concluded that a transactional leadership style was one which utilized a transaction between leaders and followers, who were then rewarded or disciplined based on work performance.

Agentic traits and autocratic style in which power and control are essential are often utilized by leaders. They identify individual strengths, and set up agreements with subordinates explaining the rewards, incentives and outcomes that will be achieved when tasks are completed.

Transformational style is, however, comprised of behaviors consistent with communal traits which are, primarily, characteristics that enhance team work, development of subordinates, skills and supporting others towards achieving goals.

These attributes are imperative for an authentic transformational leader because they help in obtaining the commitment and productivity of organizational members.

A thorough development of transactional and transformational leadership understanding was based on the multifactor leadership questionnaire (MLQ). Using leader and rater forms on the MLQ survey, transactional and transformational leadership is measured in order to provide a concise evaluation to individuals of their own leadership style or behavior. There are three subscales on transactional leadership style. Contingent reward, management by exception active and management by exception passive (Bass, 2004). The specifics to encapsulate transformational leadership are the four main subscales: idealized influence, inspirational motivation, intellectual stimulation and individualized consideration.

Many leadership theories today indicate that leadership style are transforming at a rapid pace to keep up with globalization and flattening organizational hierarchies.

Leaders operating in such a turbulent environment are required to possess a specific set of skills. Of the two leadership style measured by MLQ, the transformational leadership approach has repeatedly shown the benefit of using a communal approach to leadership. In particular, communal leadership behaviors which are spread through transformational traits, such as inspirational motivation and individualized consideration, are increasingly regarded as effective leadership because they are essential for developing subordinates and creating environments that encourage continuous learning. (Jogulu, 2010).

One of the most important issues relates to leadership is Governance and Management, which will be covered in the next section.

1.3 Governance

According to Graham (2002), the cost of poor corporate governance is borne heavily by minority shareholders. One of the ways to improve investor confidence is to have good governance practices that may contribute to better financial disclosures and more transparent business reporting. According to Frost (2002), improvements in corporate governance practices that contribute to better disclosures in business reporting in turn can facilitate greater market liquidity and capital formation. As such, corporate governance is of critical importance to investors, insurers, regulators, creditors, customers, employees and other stakeholders.

1.3.1 Governance Definition:

Corporate governance is the process and structure used to direct and manage the business affairs of the company towards enhancing business prosperity and corporate accountability with the ultimate objective of realizing long-term shareholder value, whilst taking into account the interest of other stakeholders.

According to Chapra and Ahmed (2002) corporate governance is the "set of relationships between a company's management, its board, its shareholders and other stakeholders". A definition given by World Bank President Wolfensohn, according to which "The objectives is to ensure "fairness" to all stakeholders to be attained through greater transparency and accountability". Most Western contributors would hardly agree with such a broad definition (fairness to all stakeholders) but would probably limit the objective of corporate governance to "corporate management and control in order to achieve long term value. The core elements comprise investor relations, as well as relationships to stakeholders (staff and employees, customers and clients, suppliers, public interest groups such as trade unions). The objective is to improve the efficiency of management and supervisory structures in publicly quoted companies and increase the market capitalization of listed stocks by means of a transparent and prospective information policy". (Ghayad,2008).

1.3.2 Internal governance

The board of directors is an important component of internal governance that enables the solving of agency problems inherent in managing and organizations. The board has the power to hire, fire and compensate the top-level decision managers and to ratify and monitor vital decisions. Board of directors is widely recognized as an important mechanism for monitoring the performance of managers and protecting shareholders' interests. The Malaysian Code on Corporate Governance (MCCG) (Finance Committee on Corporate Governance, 2011) also recognizes that good corporate governance rests firmly with the entire board of directors and as such, they should take the lead role in establishing best practice. With regard to the independence of board of directors, it is argued by both agency theory and resource dependence theory that the larger the number of non-executive directors (NEDs) on the board, the better they can fulfill their role in monitoring and controlling the actions of the executive directors (ED), as well as providing a window to the outside world. The premise of agency theory is that NEDs are needed on the boards to monitor and control the actions of ED due to their opportunistic behavior. Mangel and Singh (1993) opine that NEDs have more opportunity for control and face a complex web in incentives, stemming directly from their responsibilities as directors and augmented by their equity position. Hence, NEDs are considered as the check and balance mechanism in

enhancing the board's effectiveness. In addition, those who share a similar opinion include Fama and Jensen (1983) who argued that outside directors might be considered to be "decision experts"; Weisbach (1988) notes that NEDs should be independent and not intimidated by the CEO; able to reduce managerial consumption of perquisites and they can act as a positive influence over directors' deliberations and decisions. (Che Haat, Abdul Rahman and Mahenthiran, 2008).

1.3.3 Characteristics of good governance:

Good governance has 8 major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law.

The following is a short summary of these 8 characteristics:

A) Participation

Stakeholders should help define service requirements and have a voice in prioritizing infrastructure projects that will deliver these services. The best way to understand and plan for these needs and desires is to consult with diverse groups of residents, business leaders, local government leaders, civic organizations, and technical experts. Participation contributes to better-conceived projects and facilitates resolution of the inevitable conflicts that arise in every complex infrastructure project.

Participation by both men and women is a key cornerstone of good governance.

Participation could be either direct or through legitimate intermediate institutions or representatives. (Ghalayini, 2007)

B) Rule of law

Good governance requires fair legal frameworks that are enforced impartially. It also requires full protection of human rights, particularly those of minorities.

C) Transparency

Without regular data collection and disclosure, it is difficult to monitor and then improve upon institutional performance. Internally, managers can make good decisions only if they are presented with good information. External support (from government or donors or investors) can be effective when the performance of services is clearly understood.

Only when this information is disclosed and communicated effectively can citizens fairly hold leaders accountable.

Transparency means that decisions taken and their enforcements are done in a manner that follows rules and regulations. It also means that information is freely available and directly accessible to those who will be affected by such decisions and their enforcement. It also means that enough information is provided and that it is provided in easily understandable forms and media. (Ghalayini, 2007).

D) Responsiveness

Good Governance requires that institution and processes try to serve all stakeholders within a reasonable timeframe.

E) Consensus Oriented

There are several actors and as may view points in a given society. It requires a broad and long-term perspective on what is needed for sustainable human development and how to achieve the goals of such development. This can only result from an understanding of the historical, cultural and social contexts of a given society or community.

F) Equity and inclusiveness

A society's well being depends on ensuring that all its members feel that they have a stake in it and do not feel excluded from the mainstream of society. This requires all

groups, but particularly the most vulnerable, have opportunities to improve or maintain their well being.

G) Effectiveness and efficiency

Good governance means that processes and institutions produce results that meet the needs of society while making the best use of resources at their disposal. The concept of efficiency in the context of good governance also covers the sustainable use of natural resources and the protection of the environment.

H) Accountability

Accountability is a key requirement of good governance. Not only governmental institutions but also the private sector and civil society organizations must be accountable to the public and to their institutional stakeholders. Who is accountable to whom varies depending on whether decisions or actions taken are internal or external to an organization or institution. In general an organization or an institution is accountable to those who will be affected by its decisions or actions. (Ghalayini, 2007)

1.3.4 Governance requirement:

According to the Australian standard on corporate governance (AS8000,2003), it requires:

1. A structural component requiring high – level commitment.
2. an operational (or systematic) component requiring identification of requirements, integration or requirements of laws, codes, best practice, links to risk- management, and reporting, so as to create a functioning series of systems and
3. a maintenance component requiring education and training, communications, monitoring, assessment, review, liaison and accountability.

But, note that corporate governance has neither a static, nor a prescribed form. The Australian standard says "there is no single model of corporate governance" (AS8000, 2003). The OECD principles of corporate governance (OECD,2004) say: to remain competitive in a changing world, corporation must innovate and adapt their corporate governance practices so that they can meet new demands and grasp new opportunities (Willis, 2005).

1.4 Management

The management process is a series of management activities which include four sequences of management: Strategic management and updating of strategic objectives, the planning of operations and resources, the operations and steering and the reporting of results. The purpose of operational management is to achieve the strategic objectives and continuously improve the internal process.

Governance works (2007) indicates that a key area of confusion is the difference between the roles and responsibilities of management and governance. Management is concerned with the day to day activities and operations and the way in which these are implemented.

Management is the responsibility of senior manager who should develop systems and procedures based on the framework of policies set by the board. (Ghalayini, 2007).

2- Policy & Strategy

Excellent organizations implement their mission and vision by developing a stakeholder focused strategy. Policies, plans, objectives and processes are developed and deployed to deliver the strategy. One of the first things any organization should do when they gather is determine what it is they do and where they want their organization to go. A

good way to plan for these objectives is by creating a vision and mission statement. Vision and mission statements are vital components to success because they keep an organization grounded on core values and objectives.

A vision statement sets forth the direction the organization, club, or individual is headed.

Mission statements tell the world what it is the group or individual currently does. These statements provide both purpose and clarity. Without purpose, there is no reason for the group, team, or organization to exist. And without clarity, the group may lose focus of crucial objective. These statements also help make organizational decisions easier by always keeping the aim, intent, and goals in mind. (Welch, 2010)

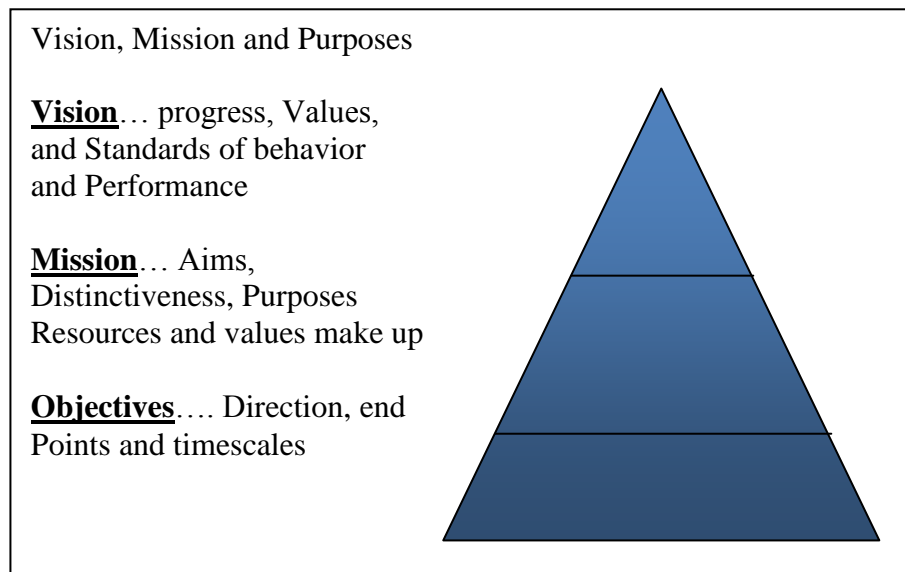


Figure 2-4: Vision, mission and objectives

Source: Pearson, 2011

2.1 Vision Statement

The vision is what guides the social enterprise and energizes the stakeholders; it is the "big picture" illustrating what the organization expects to achieve. The essential elements focus on those values to which the business is committed and appropriate standards of behavior for all people. Possible improvement paths, employee development and measures or indicators of progress should be established for each element of the vision. (Pearson, 2011)

2.2 Mission statement

The mission statement should not address what an organization must do in order to survive, but what it has chosen to do in order to thrive. It should be positive, visionary and motivating.

A good mission statement has five characteristics:

1. It will contain a formulation of aims that enables progress towards them to be measured.
2. It differentiates the company from its competitors.
3. It defines the business that the company wants to be in, not necessarily is in.
4. It is relevant to all stakeholders in the firm, not just shareholders and managers.
5. It should reflect corporate values. (Pearson, 2011)

2.3 Goals and Objectives:

Objectives should be set and communicated so that people know where the strategic leader wants the business to be at some time in the future. At the same time it's absolutely vital that the objectives currently being pursued are clearly understood. Because of incremental changes in strategies actual or implicit objectives may change from those that were established and made explicit sometime in the past. Objectives therefore establish direction and in some cases set specific end points. They should have time scales or end dates attached to them. The attainment of them should be measurable in some way and ideally they will encourage and motivate people.

It is important, straight away, to distinguish between the idea of a broad purpose and specific measurable milestones. Intended strategies are developed from the mission and the desired objectives as they are the mean of achieving them. Hence, a change of objectives is likely to result in changes of strategy. At the same time it is important to realize that incremental, adaptive and emergent changes in strategy whether the result of internal or external pressure affect the levels of performance of the business, i.e its growth profit or market share and these performance levels should be related to the objectives actually being pursued. (Pearson, 2011)

To assess how well any organization is performing, it is necessary to specify its objectives.

Once this has been done, the results produced can be judged according to the extent to which the objectives are being achieved.

3- People

Excellent organizations value their people and create a culture that allows the mutually beneficial achievement of organizational and personal goals. They develop the capabilities of their people and promote fairness and equality. They care for, communicate, reward and recognize, in a way that motivates people, builds commitment and enables them to use their skills and knowledge for the benefit of the organization.

4- Partnership & Resources

Excellent organizations plan and manage external partnerships, suppliers and internal resources in order to support strategy and policies and the effective operation of processes.

4.1 Human Resources

Human Resources (HR) is a term used to describe the individuals who make up the workforce of an organization, although it is also applied in labor economics to, for example, business sector or even whole nations. Human resource is also the name of the function within an organization charged with the overall responsibility for implementing strategies and policies relating to the management of individuals.

4.1.1 Purposed and role

An organization's human resource management strategy should maximize return on investment in the organization's human capital and minimize financial risk.

Human resource managers seek to achieve this by successfully matching the supply of skilled and qualified individuals and the capabilities of the current workforce, with the organization's ongoing and future business plans and requirements to maximize return on investment and secure future survival and success.

In ensuring such objectives are achieved, the human resource function is to implement an organization's human resources requirements effectively, taking into account federal state and local labor laws and regulations; ethical business practices; and net cost, in a manner that maximizes, as far as possible, employee motivation, commitment and productivity.

4.1.2 HR key Functions

HR may set strategies and develop policies, standards systems, and processes that implement these strategies in a whole range of areas. The following are typical of a wide range of organizations:

- Maintaining awareness of and compliance with local, state and federal labor laws.
- Recruitment, selection, and on boarding (resourcing)
- Employee record – keeping and confidentiality
- Organizational design and development
- Business transformation and change management
- Performance, conduct and behavior management
- Industrial and employee relations.
- Human resources (workforce) analysis and workforce personnel data management
- Compensation and employee benefit management
- Training and development (learning management)
- Employee motivation and morale building (employee retention and loyalty)

Implementation of such processes or standards may be directly managed by the HR function itself, or the function may indirectly supervise the implementation of such activities by managers. http://en.wikipedia.org/wiki/Human_resources

4.2 Financial Resources

According to classical economic theory, financial resources make up the capital together with land and labor that represent one of the factors of production (Smith, 1904). The traditional economic resources of capital refer to money. Financial capital is the term for the money (net liquid assets) used to purchase equipment (tools), machinery, buildings and other productive facilities. Economists refer to these purchases as investments used to produce other goods. (Siano, kitchen and Confetto, 2011)

5- Processes, Products & Services

Excellent organizations design, manage and improve their process, products and services to generate increasing value for customers and other stakeholders. The most important objectives that organization needs to have customer's satisfaction is to develop its service quality and improve its performance.

5.1 Service quality and Performance improvement:

It is common knowledge, that service orientated organizations focus attention on the mode of service quality and delivery of their various establishments. This means running the organization without proper monitoring of the service quality aspect will invariably affect customer loyalty and retention, while also leading to lower profitability. Quality is an increasingly important element that differentiates competing services. In other words, no services oriented organization can thrive without a well articulated satisfaction of its customers. Su Yen Lun (2004) argues that "one of the biggest contemporary challenges of management in service industry is providing and maintaining customer satisfaction".

The delivery of high quality service is one of the most important and most difficult tasks that any service organization faces. Because of their unique characteristics, services are very difficult to evaluate. Hence customers look closely at service quality when comparing services. On the other hand, while improving services is more difficult, improving quality of products is far easier, this is because of the temporary nature of a service.

Given the financial and resource constraints under which service organizations must manage, it is essential that customer expectations are properly understood, measured and managed from the customers' perspective; this will make any gap in service quality identified. This information then assists a manager in identifying cost effective ways of closing service quality gaps and of prioritizing which gaps to focus on - a critical decision given scarce resources. (Shahin, 2002).

This leads to the need to further understand what customer expectations and quality perception connote. According to Gabboth (2006). " the first issue relating to customer expectations is dealing with the fact that customers should know in advance what the service organization can do for them or may mean for them. Creating appropriate expectation is important for the service provider in other to avoid customers having expectations that cannot be met".

The reality facing organizations is that improving and sustaining service quality costs money and so, they need to know where to place the scarce resources they have to make the best impact knowing the customer is very important in the service industry. All quality elements or criteria of service quality are equally important in order to obtain one hundred percent quality. If only one element of quality is missing, the complete quality of product or service is impossible to obtain. Today quality is the result of growing and increasingly diverse needs of the consumers, along with a highly increasing competition, market globalization and the development of modern technology. Problems in service quality measurement arise from a lack of clear and measurable parameters for the determination of quality. It is not the case with product quality since products have specific and measurable indicators like durability, number of defective products and similar, which make it relatively easy to determine the level of quality.

Service quality gaps usually occur in any man made setting even with a laid down service standard or quality procedure. However, the need to close the noticeable gaps is of huge importance especially in upscale service providers. (Babajide, 2011)

5.2 The concept of service quality

The following are the various definitions of terms services and service quality: Gilmore & Pine (1999) also argued that " services are intangible activities customized to the individual request of known clients". There are a number different "definitions" as to what is meant by service quality.

According to Fogli (2006), service quality is " a global judgment or attitude relating to a particular service; the customer's overall impression of the relative inferiority or superiority of the organization and its services". Service quality can also be defined as a customers' perception of how well a service meets or exceeds their expectations. In most cases service quality is judged by customers, and not organizations. This distinction is critical because it forces service marketers to examine their quality from the customers'

point of view. Thus it is necessary for service organizations to know what customers expect and then initiate service products that meet or exceed those expectations.

Customer satisfaction is a complex matter, made up of the way the customer perceives the concrete attributes of a product, the benefits the customer derives from those attributes, and the personal values that the product support. Customer satisfaction is a measure of the way products and services meet or exceed customer expectations. It is the path to success for if customers are not satisfied they will not be glad, hence they will be dissatisfied.

Customer service means, transactions aimed at meeting the needs and expectations of the customer, as defined by the customer. It is the service encounter or series of encounters.

The customer is the judge of quality customer service, based on the expectations he or she has for the service.

The Institute of Customer Service in Holmes (2008) defines customer service as:

" the sum total of what an organization does to meet customer expectations and produce customer satisfaction"

Quality is one of the main drivers of customer satisfaction. Customers will always look for quality. Therefore quality is a natural pursuit for any organization seeking a source of competitive advantage. Customer research literature agrees that service quality is a measure of how the service level delivered matches customer expectations. Delivering quality service means conforming to customer expectations on a continual and stable basis. Assessment of quality in service industries, become more complicated as it is not a function of statistical measures of quality, including physical defects or managerial judgments.

Rather it is a function of customer's perceptions about the services received.

Gronroos (1994) has defined the perceived service quality as "the outcome of an evaluation process, where the customers compare their expectations with the service they have received".

The conceptualization of service quality as a gap between expectations and performance is inadequate. The relationship between service quality and customer satisfaction is the concept of service quality should be customers attitude towards service, since the concept of satisfaction is defined as a gap between expectations and performance or disconfirmation of expectations.

5.3 Service quality approaches:

Quality can be viewed from many different perspectives. Garvin (2006) presented some different approaches to understanding quality which are a good summary of the different ways quality is viewed as well as providing a framework for appreciating some of the problems associated with service quality.

These different ways of looking at quality are: transcendent-based, attribute-based, user based and value-based.

A) Transcendent-Based Quality:

According to this approach quality cannot always be defined and is partly the results of individual rather than shared experience. This ability to understand what something is but not able to describe it is characteristic of something known as an "epiphenomenon". The way we get around this problem is to use either comparators or

attributes. In service terms we might be able to say that service experience was better than this service experience but not able to explain why. (Gabbath,2006)

B) The Attribute–Based Quality:

The attribute–based approach maintains that quality is a direct outcome of the number of features or attributes of a product. Under the attribute based approach the product with more attractive attributes is higher quality.

User–Based Quality has the features explained; from this perspective, quality is simply determined by the customer, this approach is entirely consistent with a marketing orientation. The problem of course is that this approach to quality is highly subjective because every user has a different view of quality. In reality what we are dealing with is perceived quality, which is not a totally reliable indicator of actual quality. User-based quality would certainly be held up as the most market focused, and provides a stated link between quality and organizational performance. (Babajide,2011).

C) Manufacturing–Based Quality:

Quality following this approach is considered entirely in terms of conformity to a previously set standard. Since every manufactured product must meet a definite number of specifications as a function of the manufacturing process, quality is measured simply by conformance, with divergence considered a decrease in quality. If a manager can specify what a service should be like, such as speed between different process points, information provided to customers, or the provision of tangible outcomes then the service can be assessed relative to these specifications and relative quality determined.

E) Value–Based Approach on quality connotes:

The value–based approach sees quality simply as a function of customer benefit relative to price of cost. In simple terms quality is assessed as the difference between a customer's investment in acquiring or consuming a product relative to the enjoyment, benefit or satisfaction they will yield. In reality this approach is a version of the user-based approach because the customer makes the determination of value (Babajide, 2011).

Results Criteria

1- Customer Results

Excellent organizations develop and agree a set of performance indicators and related outcomes to determine the successful deployment of their strategy and supporting policies, based on the needs and expectations of their customers.

2- People Results

Excellent organizations develop and agree a set of performance indicators and related outcomes to determine the successful deployment of their strategy and supporting policies, based on the needs and expectations of their people.

3- Society Results

Excellent organizations develop and agree set of performance indicators and related outcomes to determine the successful deployment of their societal and ecological strategy and related policies, based on the needs and expectations of the relevant external stakeholders.

4- **Key Results**

Excellent organizations develop and agree a set of key financial and non-financial results to determine the successful deployment of their strategy, based on the needs and expectations of their key stakeholders. (www.efqm.org)

2.2.1.5 The benefits of European foundation quality management model:

In a study on self-assessment, Hillman (1994) has elaborated further on the benefits of the EFQM Model, stating

- 1- It is not a standard but allowing interpretation for all aspects of the business and all forms of organization.
- 2- Its widening use facilitates comparison between organizations. This provides the potential to learn from others in specific areas by using a common language.
- 3- The inclusion of tangible results ensures that the focus remains on real improvement, rather than preoccupation with the improvement process, it focuses on achievement not just activity.
- 4- Training is readily available in the use and scoring for the model.
- 5- It provides a repeatable basis that can be used for comparison over several years.

The comprehensive nature and results focus, broken down into discrete elements, helps develop a total improvement process specific for each organization – it is a model for successful business. (Hillman,1994).

Because of the importance of the European foundation quality management excellence model the most seven related criteria to the study will be considered as the dependent variables in it, those are:

- 1- Leadership.
- 2- Policy & Strategy.
- 3- People.
- 4- Partnerships & Resources.
- 5- Processes, Products & Services.
- 6- Customer results.
- 7- Key results.

2.2.2 Malcolm Baldrige National Quality Award

The Baldrige National Quality Program and the associated award were established by the Malcolm Baldrige National Quality Improvement Act of 1987. In 2010, the program's name was changed to the Baldrige Performance Excellence Program to reflect the evolution of the field of quality from a focus on product, service, and customer quality to a broader, strategic focus on overall organizational quality, called performance excellence.

The award promotes awareness of performance excellence as an increasingly important element in competitiveness. It also promotes the sharing of successful performance strategies and the benefits derived from using these strategies. To receive a Baldrige Award, an organization must have a role-model organizational management system that ensures continuous improvement in delivering products and/or services, demonstrates efficient and effective operations, and provides a way of engaging and responding to customers and other stakeholders. The award is not given for specific products or services.

2.2.2.1 Malcolm Baidrige Criteria for Performance Excellence.

The Baldrige Criteria for performance Excellence serve two main purposes: (1) to identify Baldrige Award recipients that will serve as role models for other organizations and (2) to help organizations assess their improvement efforts, diagnose their overall performance management system, and identify their strengths and opportunities for improvement.

In addition, the Criteria help strengthen organizations competitiveness by

1. Improving organizational performance practices, capabilities, and results.
2. Facilitating communications and sharing of information on best practices among organizations of all types.
3. Serving as a tool for understanding and managing performance and for guiding planning and opportunities for learning.

The Baldrige Criteria for performance Excellence provide organizations with an integrated approach to performance management that results in

- delivery of ever-improving value to customers and stakeholders, contributing to organizational sustainability.
- Improved organizational effectiveness and capabilities.
- organizational and personal learning. <http://en.wikipedia.org/wiki/Malcom>

2.2.2.2 Check list of application for Malcom Baldrige National Quality Award

Maximum score	Percentage Of sub-total
1.0 Leadership 150 1.1 Leadership of top-ranking mangers 50 1.2 Policy 30 1.3 Management control system and quality improvement process 30 1.4 Allocation and utilization of resources 20 1.5 Responsibility to society 10 1.6 Unique and creative leadership technique 10	15%
2.0 Information and analysis 75 2.1 Utlization of analysis technique or system 15 2.2 utilization of information about product quality and servicing quality 10 2.3 Customer data and analysis 20 2.4 Analysis of quality and data of subcontractor 10 2.5 Analysis of quality and data of distributor or sales agent 10 2.6 Employee-related data and analysis 5	7.5%

2.7 Unique and innovative analysis of information 5	
3.0 Quality of strategy planning 75 3.1 Operation target and strategy target 20 3.2 Function of planning 20 3.3 Quality improvement plan 30 3.4 Unique and innovative planning for strategy 5	7.5%
4.0 Utilization of human resources 150 4.1 Control and operation 30 4.2 Quality-consciousness and participation employees 50 4.3 Training and education concerning quality 30 4.4 Personnel assessment, motivation, award system 30 4.5 Unique and innovative strategy concerning utilization of human resource 10	15%
5.0 Quality assurance of product and servicing 150 5.1 Reflection of customer's opinion on product and servicing 20 5.2 Development of new product and new servicing 20 5.3 Design of new product and new servicing 30 5.4 measurement, standardization, data system 10 5.5 Engineering 10 5.6 Audit 15 5.7 Recording 10 5.8 Safety, health and sanitation, environment 10 5.9 Assurance/effectiveness 15 5.10 Unique and innovative approach to quality assurance of product and servicing 10	15%
6.0 Result of quality assurance of product and servicing 100 6.1 Reliability and achievement of product and servicing 25 6.2 Reduction of scrap, rework, rejection concerning product and servicing 20 6.3 Reduction of complaint and claim suit concerning quality 25 6.4 Reduction of assurance- or site -related assistance operation	10%

20	
6.5 Innovative index and economic gain for quality improvement	
10	
7.0 Customer satisfaction	
300	
7.1 Quality of product and servicing from customer's viewpoint	
100	
7.2 Comparison of competitiveness of product and servicing	
50	
7.3 Customer servicing and countermeasure for complaint	30%
75	
7.4 Assurance from customer's viewpoint	
50	
7.5 Unique (or innovative) technique to grasp customer satisfaction	
25	
Total 1000	100%

<http://en.wikipedia.org/wiki/malcom>

2.2.3 Deming Prize in Japan

The Deming Prize is one of the highest awards on TQM (Total Quality Management) in the world. ([www.guse.or.jp,2011](http://www.guse.or.jp)) It was established in December 1950 in honor of W. Edwards Deming and originally designed to reward Japanese companies for major advances in quality improvement. Over the years it has grown, under the guidance of Japanese Union of Scientists and Engineers (JUSE) to where it is now also available to non-Japanese companies, albeit usually operating in Japan, and also to individuals recognized as having made major contributions to the advancement of quality.

Two categories of awards are made annually, the Deming Prize for Individuals and the Deming Application Prize. (<http://en.wikipedia.org/Demingprize>)

Unlike other national or regional quality awards, the Deming prize does not provide a model framework for organizing and prioritizing criteria. Instead, the evaluation includes 10 equally weighted points that each applicant must address. The 10 points involve the following categories: policies, organization, information, standardization, human resources, quality assurance, maintenance, improvement, effects and future plans. Expert panel members judge performance against these points.(<http://www.texas-quality.org>)

2.2.3.1 Check list of application for Deming Award

Item	Particulars	Item	Particulars
1. Policy	<ol style="list-style-type: none"> 1. Policies pursued for management quality, and quality control 2. Method of establishing policies. 3. Justifiability and consistency of policies 4. Utilization of statistical methods. 5. Transmission and diffusion of policies 6. Review of policies and the results achieved 7. Relationship between policies and long- and short-term planning. 	6. Standardization	<ol style="list-style-type: none"> 1. Systematization of standards 2. Method of establishing, revising and abolishing standards. 3. Outcome of the establishment, revision, or abolition of standards. 4. contents of the standars 5. utilization of statistical methods 6. Accumulation of technology 7. Utilization of standards
2. Organization and its Management	<ol style="list-style-type: none"> 1. Explicitness of the scopes of authority and responsibility. 2. Appropriateness of delegations of authority. 3. Interdivisional cooperation 4. committees and their activities 5. Utilization of staff 6. Utilization of QC circle activities 7. Quality control diagnosis 	7. Control	<ol style="list-style-type: none"> 1. Systems for the control of quality and such related matters as cost and quantity. 2. Control items and control points 3. Utilization of such statistical control methods as control charts and other statistical concepts 4. contribution to performance of QC circle activities. 5. Actual conditions of control activities 6. State of maters under control
3. Education and Dissemination	<ol style="list-style-type: none"> 1. Education programs and results. 2. Quality- and control - consciousness, degrees of understanding of quality control. 3. Teaching of statistical concepts and methods, and the extent of their dissemination 4. Grasp of the effectiveness of quality control. 5. Education of related company (particularly those in the same group, sub-contractors, consigness, and distributors) 6. QC circle activities. 7. System of suggesting ways 	8. Quality Assurance	<ol style="list-style-type: none"> 1. Procedure for the development of new products and services (analysis and upgrading of quality, checking of design, reliability, and other properties). 2. Safety and immunity from product liability. 3. Customer satisfaction. 4. Process design, process analysis, and process control and improvement. 5. Process capability. 6. Instrumentation, gauging, testing, and inspecting 7. Equipment maintenance, and control of subcontracting, purchasing, and services.

	of improvements and its actual conditions		8. Quality assurance system and its audit. 9. Utilization of statistical methods. 10. Evaluation and audit of quality. 11. Actual state of quality assurance.
4. Collection, Dissemination and Use of Information of Quality	1. Collection of external information. 2. Transmission of information between divisions 3. Speed of information transmission (use of computers) 4. Data processing statistical analysis of information and utilization of the results	9. Results	1. Measurements of results. 2. Substantive results in quality, services, delivery time, cost, profits, safety, environment, etc. 3. Intangible results. 4. Measures for overcoming defects
5. Analysis	1. Selection of key problems and themes. 2. Propriety of the analytical approach. 3. Utilization of statistical methods. 4. Linkage with proper technology. 5. Quality analysis, process analysis. 6. Utilization of analytical results. 7. Assertiveness of improvement suggestions	10. Planning for the Future	1. Grasp of the present state of affairs and the concreteness of the plan. 2. Measures for overcoming defects 3. Plans for further advances. 4. Linkage with the long-term plans.

(Subcommittee of Implementation Award for Deming Prize, 1992).

2.2.3.2 The Deming Prize and Development of Quality Control/Management in Japan

The Deming Prize, especially the Deming Application Prize which is given to companies, has exerted an immeasurable influence directly or indirectly on the development of quality control/management in Japan.

Applicant companies and divisions of companies sought after new approaches to quality management that met the needs of their business environment and challenged for the Deming Prize. Those organizations developed effective quality management methods, established the structures for implementation, and put the methods into practice.

(www.deming.org)

Thus, quality management has spread to many organizations, its methods have evolved over the years, and they contributed to the advancement of these organizations' improvement activities.

This mechanism that encourages each organization's self-development come from the examination process of the Deming Prize, though the very process has invited some criticism that the examination criteria for the Deming Prize are unclear. The Deming Prize

examination does not require applicants to conform to a model provided by the Deming Prize Committee. Rather, the applicants are expected to understand their current situation, establish their own themes and objectives, and improve and transform themselves company-wide. Not only the results achieved and the processes used, but also the effectiveness expected in the future are subjects for the examination. To the best of their abilities, the examiners evaluate whether or not the themes established by the applicants were commensurate to their situation; whether or not their activities were suitable to their circumstance; and whether or not their activities are likely to achieve their higher objectives in the future.

Every factor such as the applicants attitude toward executing Total Quality Management (TQM), their implementation status, and the resulting effects is taken into overall consideration. In other words, the Deming Prize Committee does not specify what issues the applicants must address, rather the applicants themselves are responsible for identifying and addressing such issues, thus, this process allows quality methodologies to be further developed.

Total Quality Control (TQC) that had been developed in Japan was re-imported to the United States in the 1980s and contributed to the revitalization of its industries. While the term TQC had been used in Japan, it was translated as TQM in western nations. To follow an internationally-accepted practice, Japan changed the name from TQC to TQM. (www.deming.org)

Section 3: Palestinian Telecommunication Company (PalTel)

Introduction:

This section gives background on the Palestinian telecommunication company (PalTel), its vision and mission, and its objectives.

Established in 1995 as a public shareholding company, Palestine telecommunications company (PalTel), commenced its operations on the 1st of January 1997 as an operator and provider of all telecommunication services including fixed lines, cellular, internet and data communications services. According to 2011's report, PalTel group capital amounts to 131.625 million Jordanian Dinars (JOD), with about 7668 shareholders by the 31st of December 2010. The list of shareholders includes a broad list of investors ranging from prominent individuals, companies, institutions and the Palestinian Investment Funds.

PalTel introduced all types of telecommunication and internet services to the Palestinian society. (PalTel annual report, 2011).

3.1 PalTel Vision and Mission:

PalTel Mission:

Maximizing shareholders' value with perpetual growth and enriching Palestine's information communication technology sector with a commitment to excellence and with continued commitment to major societal and citizens' needs. (PalTel annual report, 2011).

PalTel Vision:

aspires towards becoming the Telecommunications and Information Technology (IT) landmark in Palestine, through creating an advanced infrastructure, as well as providing of all fixed and cellular telecommunications, information, Internet, and Value added services, and investing in communication-related projects at the local, regional and international levels, thus contributing to the development of the Palestinian economy and securing sound revenues to shareholders.

PalTel seeks to expand its presence in the Palestinian market, diversify its services and provide complementary packages to satisfy and retain the Palestinian consumer. To this end, PalTel has established independent and specialized companies in order to achieve the strategic objectives that conform with PalTel Group vision, namely:

- spread the use of fixed telephony and its value-added services as high-quality commodity with competitive tariffs.
- Build and advanced infrastructure for Data and Internet and promote its deployment in all aspects of life.
- Increase the number of retail outlets while developing and modernizing their operational mechanism to ensure providing good quality goods and services through highly professional and trained staff.
- Launch promotional marketing campaigns for customers to market the Company's products and services.
- Constant and continuous developing of all campaigns of PalTel network.
- Invest locally, regionally and internationally in project that conform with PalTel vision and strategy of synergy. (PalTel annual report, 2011).

3.2 PalTel Main Objectives:

- Provide modern telecommunication services by deploying the latest technology, information systems, line access, and value added services in order to satisfy the needs of all customers throughout Palestine.
- Achieve sound returns for shareholders, preserve their investments, and meet their expectations and aspirations, ensuring continuous communication and interaction with them.
- Provide wide range of services to the broadest possible subscribers' base in all Palestinian areas.
- Contribute to building the Palestinian society through providing support to the largest possible number of social, educational, health, economic and infrastructure development initiatives and activities; Its contribution aims at building a unique interactive relationship with the Palestinian society at large, in a manner that contributes to fulfilling the ambitions of the society and building its capacities. (PalTel annual report,2011).

Chapter (3)

Research Methodology

Introduction:

This chapter introduces a detailed presentation of methodology and procedures which have been followed in conducting the study about the impact of applying the learning organization concept on the institutional performance of PalTel. The chapter includes study methodology, Data collection, Study Population, Sample, Study Tools, and Statistical methods.

3.1 Study method and data collection:

Analytical descriptive methodology has been used to sustain quantitative measurement and analysis. Data has been collected through different means such as:

3.1.1 Secondary sources:

To introduce the theoretical literature of the subject, the researcher used the following data sources:

- 1- Books and references about the learning organization characteristics.
- 2- Periodicals, published papers and articles which has been conducted on the same subject.
- 3- The published annual reports from PalTel.
- 4- The Internet sites and the available electronic versions.

3.1.2 Primary sources:

To analyze the qualitative and quantitative characteristics of phenomena, it has been depended on collecting the primary data by questionnaire (see appendix 1.2) as a main tool for the study, it saves time and effort. The questionnaire has been designed especially for this study and contains three parts:

- 1- The first part considers the personal characteristics of the responses.
- 2- The second part considers the seven LO dimensions (Finding continuous learning opportunities, Encouraging enquiry and conversation, Encouraging cooperation and team learning, Create sharing knowledge and learning systems, Empower people by shared vision, Connect learning organization with external environment, Strategic leadership support learning).
- 3- The third part considers the seven institutional performance (Leadership, Policy and strategy, people, resources and partnership, customer results, key performance results).

A set of 76 statements regarding PalTel employees opinions. This section is based on Dimensions of Learning Organization. Some measures have been represented by several items to give more certainty of the consistency of the PalTel employee's responses. Every question has ten alternative answers according to scale which consists of ten degrees 1 means absolute disagreement while 10 means absolute agreement. This scale has been transformed to quantitative degrees as shown in table No. 3-1:

Table 3-1 The significance of the answers

The answers	Relative weight
1	≤ 10%
2	11-20%
3	21-30%
4	31-40%
5	41-50%
6	51-60%
7	61-70%
8	71-80%
9	81-90%
10	≥90%

3.2 Study Population and Sample:

The population and the sample of the study consist of the employees of PalTel in Gaza strip. There are about 346 employees working in PalTel about 100 of them were not qualified to fill the questionnaire since they were under secondary school (like securities or drivers), so they were excluded. Thus, this makes the study population and sample 250 as the following table (3-2). (Interview with HR manager, August, 2011).

Table 3-2 The study Population and sample

Department	No.
Administrative	50
Commercial	75
Technical	125
Total	250

Source: Interview with HR manager (August, 2011).

3.3 Validity and reliability of the study tool:

3.3.1 Pilot study:

The measurement has been applied on 30 employees from PalTel as a simple random sample in order to check the validity and reliability. The pilot sample has been distributed in the second week of October, 2011 and collected within two weeks and has been exempted from the study sample.

3.3.2 First: Validity of referees:

The initial questionnaire has been given to a group of referees to judge its validity according to its content, the clearness of its items meaning, appropriateness to avoid any misunderstanding and to assure its linkage with the main study aims. (see appendix (3)). After a detailed feedback from the referees, some adaptation has been done to meet their suggestions.

3.3.3 Second: The validity of the questionnaire:

The validity of the questionnaire has been checked by two means:

1- The validity of Internal Consistency:

1- Correlation between the questionnaire dimensions and the Total of it.

The correlation between the score of each dimension and the total score of the questionnaire has been calculated, and the correlation between the score of every item and the total score of its dimension has been calculated as well.

(See tables 3-3).

Table 3-3 Correlation coefficient of each field and the whole of questionnaire

No.	Field	Pearson Correlation Coefficient	P-Value (sig.)
1.	Finding continuous learning opportunities	.818	0.000*
2.	Encouraging enquiry and conversation	.767	0.000*
3.	People treat each other with respect	.874	0.000*
4.	Create knowledge and learning sharing systems	.811	0.000*
5.	Empower people by shared vision	.876	0.000*
6.	Connect learning organization with external environment	.776	0.000*
7.	Strategic leadership support learning	.796	0.000*
8.	Learning Organization	.937	0.000*
9.	Leadership	.880	0.000*
10.	Strategy	.860	0.000*
11.	People	.858	0.000*
12.	Partnership and Resources	.765	0.000*
13.	Processes	.838	0.000*
14.	Customer results	.759	0.000*
15.	Key performance results	.815	0.000*
16.	Institutional performance	.939	0.000*

* Correlation is significant at the 0.05 level

Table (3-3) clarifies the correlation coefficient for each field and the whole questionnaire. The p-values (Sig.) are less than 0.05, so the correlation coefficients of all the fields are significant $\alpha = 0.05$, so it can be said that the fields are valid to be measured what it was set for to achieve the main aim of the study.

2- Correlation coefficient of each statement in the LO dimensions and the total of this field:

1. Correlation coefficient of each statement of "Finding continuous learning opportunities " and the total of this field.

Table (3-4) clarifies the correlation coefficients for each statement of the Finding continuous learning opportunities and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at $\alpha = 0.05$, so it can be said that the statements of this field are consistent and valid to be measure what it was set for.

Table 3-4 Correlation coefficient of each statement of "Finding continuous learning opportunities" and the total of this field

No.	Paragraph	Pearson Correlation Coefficient	P-Value (sig.)
1.	In my organization, people openly discuss mistakes in order to learn from them	.677	0.000*
2.	In my organization, people identify skills they need for future work tasks.	.817	0.000*
3.	In my organization, people help each other learn	.656	0.000*
4.	In my organization, people can get money and other resources to support their learning.	.726	0.000*
5.	In my organization, people are given time to support learning.	.718	0.000*
6.	In my organization, people view problems in their work as an opportunity to learn	.760	0.000*
7.	In my organization, people are rewarded for leaning.	.708	0.000*

2. Correlation coefficient of each statement of "Encouraging enquiry and conversation" and the total of this field.

Table (3-5) clarifies the correlation coefficient for each statement of the Encouraging enquiry and conversation and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at $\alpha = 0.05$, so it can be said that the statements of this field are consistent and valid to be measure what it was set for.

Table 3-5 Correlation coefficient of each statement of "Encouraging enquiry and conversation" and the total of this field

No.	Paragraph	Pearson Correlation Coefficient	P-Value (sig.)
1.	In my organization, people give open and honest feedback to each other.	.781	0.000*
2.	In my organization, people are encouraged to ask "why" regardless of rank	.791	0.000*
3.	In my organization, whenever people state their view, they also ask what others think.	.810	0.000*
4.	In my organization, people treat each other with respect.	.777	0.000*

* Correlation is significant at the 0.05 level

3. Correlation coefficient of each statement of "People treat each other with respect" and the total of this field.

Table (3-6) clarifies the correlation coefficient for each statement of the People treat each other with respect and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at $\alpha = 0.05$, so it can be said that the statements of this field are consistent and valid to b measure what it was set for.

Table 3-6 Correlation coefficient of each statement of "People treat each other with respect" and the total of this field

No.	Paragraph	Pearson Correlation Coefficient	P-Value (sig.)
1.	In my organization, teams/groups have the freedom to adapt their goals as needed.	.624	0.000*
2.	In my organization, teams/groups treat members as equals, regardless of rank, culture, or other differences.	.839	0.000*
3.	In my organization, teams/groups revise their thinking as a result of group discussions or information collected.	.862	0.000*
4.	In my organization, teams/groups are rewarded for their achievements as a team/group.	.822	0.000*
5.	In my organization, teams/groups are confident that the organization will act on their recommendations.	.822	0.000*

* Correlation is significant at the 0.05 level

4. Correlation coefficient of each statement of "Create knowledge and learning sharing systems" and the total of this field.

Table (3-7) clarifies the correlation coefficient for each statement of the Create knowledge and learning sharing systems and the total of the field. The p-values (Sig.) are

less than 0.05, so the correlation coefficients of this field are significant at $\alpha = 0.05$, so it can be said that the statements of this field are consistent and valid to be measure what it was set for.

Table 3-7 Correlation coefficient of each statement of "Create knowledge and learning sharing systems "and the total of this field

No.	Paragraph	Pearson Correlation Coefficient	P-Value (sig).
1.	My organization uses two-way communication on a regular basis, such as suggestion systems, electronic bulletin boards, or town hall/open meetings.	.812	0.000*
2.	My organization enables people to get needed information at any time quickly and easily.	.814	0.000*
3.	My organization creates systems to measure gaps between current and expected performance.	.878	0.000*
4.	My organization makes its lessons learned available to all employees.	.817	0.000*

*Correlation is significant at the 0.05 level

4. Correlation coefficient of each statement of "Empower people by shared vision" and the total of this field.

Table (3-8) clarifies the correlation coefficient for each statement of the Empower people by shared vision and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at $\alpha = 0.05$, so it can be said that the statements of this field are consistent and valid to be measure what it was set for.

Table 3-8 Correlation coefficient of each statement of "Empower people by shared vision" and the total of this field

No.	Paragraph	Pearson Correlation Coefficient	P-Value (sig).
1.	My organization invites people to contribute to the organization's vision.	.884	0.000*
2.	My organization gives people control over the resources they need to accomplish their work	.761	0.000*
3.	My organization supports employees who take calculated risks.	.891	0.000*
4.	My organization builds alignment of visions across different levels and work groups.	.873	0.000*

* Correlation is significant at the 0.05 level

5. Correlation coefficient of each statement of "Connect learning organization with external environment" and the total of this field

Table (3-9) clarifies the correlation coefficient for each statement of the Connect learning organization with external environment and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at $\alpha = 0.05$, so it can be said that the statements of this are consistent and valid to be measure what it was set for.

Table 3-9 Correlation coefficient of each statement of "Connect learning organization with external environment" and the total of this field

No.	Paragraph	Pearson Correlation Coefficient	P-Value (sig).
1.	My organization encourages people to think from a global perspective.	.830	0.000*
2.	My organization encourages everyone to bring the customers' views into the decision making process.	.867	0.000*
3.	My organization works together with the outside community to meet mutual needs.	.813	0.000*
4.	My organization encourages people to get answers from across the organization when solving problems	.792	0.000*

*Correlation is significant at the 0.05 level

7. Correlation coefficient of each statement of "Strategic leadership support learning" and the total of this field

Table (3-10) clarifies the correlation coefficient for each statement of the strategic leadership support learning and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at $\alpha = 0.05$, so it can be said that the statements of this field are consistent and valid to be measure what it was set for.

Table 3-10 Correlation coefficient of each statement of "Strategic leadership support learning" and the total of this field

No.	Paragraph	Pearson Correlation Coefficient	P-Value (sig).
1.	In my organization, leaders generally support requests for learning opportunities and training.	.830	0.000*
2.	In my organization, leaders empower others to help carry out the organization's vision.	.853	0.000*
3.	In my organization, leaders continually look for opportunities to learn.	.889	0.000*
4.	In my organization, leaders ensure that the organization's actions are consistent with its values.	.813	0.000*

* Correlation is significant at the 0.05 level

4. Correlation coefficient of each statement of IP criteria and the total of this field

1. coefficient of each statement of "Leadership" and the total of this field

Table (3-11) clarifies the correlation coefficient for each statement of the Leadership and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at $\alpha = 0.05$, so it can be said that the statements of this field are consistent and valid to be measure what it was set for.

Table 3-11 Correlation coefficient of each statement of "Leadership" and the total of this field

No.	Paragraph	Pearson Correlation Coefficient	P-Value (sig).
1.	Leaders determine and clear organization goals.	.799	0.000*
2.	Leaders display ethical behavior.	.775	0.000*
3.	Leaders involve in improving management systems	.803	0.000*
4.	Leaders commitment to organization goals.	.790	0.000*
5.	Leaders' relationship whit customers leaders' relationship with suppliers.	.869	0.000*
6.	Leaders' empowerment of employees	.772	0.000*

* Correlation is significant at the 0.05 level

2. Correlation coefficient of each statement of "Strategy" and the total of this field.

Table (3-12) clarifies the correlation coefficient for each statement of the strategy and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at $\alpha = 0.05$, so it can be said that the statements of this field are consistent and valid to be measure what it was set for.

Table 3-12 Correlation coefficient of each statement of "Strategy" and the total of this field

No.	Paragraph	Pearson Correlation Coefficient	P-Value (Sig).
1.	Consideration of political, economic, social and legislative factors.	.748	0.000*
2.	Consideration of political, economic, social and legislative factors.	.737	0.000*
3.	Collation and analysis of quantitative data.	.849	0.000*
4.	Consideration of the organization's strengths and weaknesses.	.846	0.000*
5.	Consideration of political, economic, social and legislative factors.	.757	0.000*
6.	Communication of strategy to employees and key stakeholders.	.727	0.000*
7.	Consideration of the organization's strengths and weaknesses.	.752	0.000*
8.	Inclusion of principles of quality and continuous improvement.	.812	0.000*

* Correlation is significant at the 0.05 level

2. Correlation coefficient of each statement of "People" and the total of this field

Table (3-13) clarifies the correlation coefficient for each statement of the People and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at $\alpha = 0.05$, so it can be said that the statements of this field are consistent and valid to be measure what it was set for.

Table 3-13 Correlation coefficient of each statement of "People" and the total of this field

No.	Paragraph	Pearson Correlation Coefficient	P-Value (Sig).
1.	Alignment of HR plans and policies with organization strategy.	.789	0.000*
2.	Succession planning and career development opportunities.	.802	0.000*
3.	Collection of employee feedback on expectations and needs.	.806	0.000*
4.	Assessment of skills and capability development needs.	.817	0.000*
5.	Enabling employees to realize their full potential.	.834	0.000*
6.	Sharing of vision and mission with employees.	.865	0.000*
7.	Design of jobs and work teams for innovation and improvement	.805	0.000*
8.	Compensation, recognition and reward of employees.	.808	0.000*

* Correlation is significant at the 0.05 level

3. Correlation coefficient of each statement of "Partnership and Resources" and the total of this field.

Table (3-14) clarifies the correlation coefficient for each statement of the Partnership and Resources and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at $\alpha = 0.05$, so it can be said that the statements of this field are consistent and valid to be measure what it was set for.

Table 3-14 Correlation coefficient of each statement of "Partnership and Resources" and the total of this field

No.	Paragraph	Pearson Correlation Coefficient	P-Value (sig).
1.	Identifying and managing supplier relationships.	.864	0.000*
2.	Identifying and developing (non-supplier) partnership opportunities.	.866	0.000*
3.	Alignment of financial strategy and policies with organization strategy.	.849	0.000*
4.	Mechanisms for obtaining, sharing, and using information (including e-commerce and intranet).	.811	0.000*
5.	Data accuracy, utility, security and availability to people who need it,	.732	0.000*

* Correlation is significant at the 0.05 level

1- coefficient of each statement of "Processes" and the total of this field

Table (3-15) clarifies the correlation coefficient for each statement of the Processes and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at $\alpha = 0.05$, so it can be said that the statements of this field are consistent and valid to be measure what it was set for.

Table 3-15 Correlation coefficient of each statement of "Processes" and the total of this field

No.	Paragraph	Pearson Correlation Coefficient	P-Value (sig).
1.	Identification and definition (detailing) of key processes.	.786	0.000*
2.	Mechanisms for acquiring customer feedback	.813	0.000*
3.	Communication changes to stakeholders, and reviewing impact of changes	.862	0.000*
4.	Assignment of responsibility for managing processes.	.882	0.000*
5.	Continuous improvement of process performance	.726	0.000*

* Correlation is significant at the 0.05 level

2- coefficient of each statement of "Customer results" and the total of this field

Table (3-16) clarifies the correlation coefficient for each statement of the Customer results and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at $\alpha = 0.05$, so it can be said that the statements of this field are consistent and valid to be measure what it was set for.

Table 3-16 Correlation coefficient of each statement of "Customer results" and the total of this field

No.	Paragraph	Pearson Correlation Coefficient	P-Value (sig).
1.	Appropriate of targets for customer satisfaction/performance.	.793	0.000*
2.	Factors affecting customer satisfaction understandable and available built-in indicators to make sure to check that.	.807	0.000*
3.	Acquisition of data for the measurement of customer experiences and needs.	.775	0.000*
4.	Cause and effect analysis to explain customer results.	.791	0.000*
5.	Comparison of customer perceptions with other units and organizations (best in class?)	.817	0.000*
6.	Use of internal performance indicators to measure performance against customer targets.	.703	0.000*

* Correlation is significant at the 0.05 level

8. Correlation coefficient of each statement of "Key performance results" and the total of this field

Table (3-17) clarifies the correlation coefficient for each statement of the key performance results and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at $\alpha = 0.05$, so it can be said that the statements of this field are consistent and valid to be measure what it was set for.

Table 3-17 Correlation coefficient of each statement of "Key performance results" and the total of this field

No.	Paragraph	Pearson Correlation Coefficient	P-Value (sig).
1.	Acquisition of data for the measurement of key business performance results.	.779	0.000*
2.	Appropriate of targets for key performance results.	.863	0.000*
3.	Cause and effect analysis to explain key driver results.	.845	0.000*
4.	Improving trends and levels of key performance results.	.859	0.000*
5.	Improving trends and levels of key performance drivers against targets.	.828	0.000*
6.	Cause and effect analysis to explain key performance results.	.800	0.000*

* Correlation is significant at the 0.05 level

3.3.4 Third: The reliability of the questionnaire.

After applying the questionnaire and treating the data by SPSS program, the reliability has been calculated by:

The reliability by Alpha-Cronbach:

The questionnaire has been applied on a pilot sample consists of 30 employees working in PalTel.

Table (3-18) shows the values of Cronbach's Alpha for each filed of the questionnaire and the entire questionnaire. For the fields, values of Cronbach's Alpha were in the range from 0.793 and 0.967. This range is considered high; the result ensures the

reliability of each field of the questionnaire. Cronbach's Alpha equals 0.975 for the entire questionnaire which indicates an excellent reliability of the entire questionnaire.

Table 3-18 Cronbach's Alpha for each field of the questionnaire and the entire questionnaire

No.	Field	Cronbach's Alpha
1.	Finding continuous learning opportunities	.851
2.	Encouraging enquiry and conversation	.793
3.	Encouraging cooperation and team learning	.857
4.	Create knowledge and learning sharing systems	.848
5.	Empower people by shared vision	.875
6.	Connect learning organization with external environment	.842
7.	Strategic leadership support learning	.864
8.	Learning Organization	.954
9.	Leadership	.881
10.	Strategy	.905
11.	People	.924
12.	Partnership and Resources	.877
13.	Processes	.873
14.	Customer Results	.871
15.	Key Performance Results	.908
16.	Institutional performance	.967
All statements of the questionnaire		.975

Thereby, it can be said that the researcher proved that the questionnaire was valid, reliable, and ready for distribution for the population sample .

3.4 Statistical methods.

The following statistical methods have been used:

1- Statistic Methods used in analyzing the validity of the questionnaire:

- Pearson correlation coefficient: to find the validity of Internal Consistency by the correlation between every statement and its dimension.
- Terminal comparison: by comparing the Mean, Standard Deviation and T values for the higher and the lower quarters of the sample.

2- Statistics Methods used in testing reliability of the tool:

- Alpha-Cronbach coefficient.

3- Statistics Methods used in Data Analysis:

- Frequencies
- Percentages
- Means
- Standard Deviations
- Relative Weight

4- The Statistic Methods which have used in testing hypotheses:

- Kolmogorov-Smirnov Test to check the nature of the data.
- One-Sample T-Test to check differences between two variables of parametric and normally distributed data.
- Linear Regression: to check the effect of every dimension on the total degree of the questionnaire.
- One Way ANOVA: to test differences.

Chapter (4)

Empirical Framework Hypotheses Testing & Discussion

Introduction:

In this chapter, data analysis results will be explained, analyzed and discussed to evaluate the impact of applying the learning organization concept on the institutional performance of PalTel. The chapter consists of four sections:

- Type of data.
- Analyzing of the sample.
- Analyzing and discussing the dimensions of the LO.
- Testing the study hypotheses.

4.1 Type of data.

One sample – kolmogorov - smirnov Test was used to decide if LO & IP dimensions data is parametric or not. Table (4-1) shows that the computed value of sig. for all the dimension and their total is greater than $\alpha = 0.05$ then the data is normal distribution. And therefore, parametric tests can be used to study each items of the LO dimensions.

Table 4-1 The Results of Kolmogorov – Smirnov Test of LO & IP dimensions

No	Field	Kolmogorov – Smirnov	
		Statistic	P-Value
1.	Learning Organization	0.866	0.441
2.	Institutional performance	1.218	0.103
All statements of the questionnaire		0.935	0.346

4.2 Analyzing of the sample

In this section the properties of the sample have been introduced. The researcher has analyzed personal properties and the results were as follows:

4.2.1 Personal experience:

Table No. (4-2) shows that 13.0% of the sample have experience "less than 5 years", 14.5% of the sample have experience "5-less than 10 years" and 72.5% of the sample have experience "10 years and higher". The majority of Pal Tel employees have experiences higher than 10 years due to the high salaries, motivations, health insurance and a lot of other specializations and appreciation PalTel presents to its employees to keep good qualifications and experiences. Those experiences can serve this study by valid and qualified answers.

Table 4-2 personal experience

Person's experience	Frequency	Percent
Less than 5 years	26	13.0
5-less than 10 years	29	14.5
10 years and higher	145	72.5
Total	200	100.0

4.2.2 Level of education

Table No. (4-3) shows that 6.0% of the sample are "Master degree" holders, 54.0% of the sample of "Bachelor degree" holders, 21.5% of the sample "Diploma degree"

holders and 18.5% of the sample are "Secondary degree". PalTel is one of most leading organizations in Palestine so it is normal that most of its employees from high degree holders 60% "Master and Bachelor degree", while the holders of "Diploma and Secondary degree" work in sale centers or technical jobs. There is a small portion of "Under secondary degree" employees but in this study this portion was neglected because they were beyond the scope of the study.

Table 4-3 The education degree of the sample person's

Education Degree	Frequency	Percent
PHD	-	-
Master	12	6.0
Bachelor	108	54.0
Diploma	43	21.5
Secondary	37	18.5
Total	200	100.0

4.2.3 Gender:

Table No. (4.4) shows that 82.5% of the sample are Males and 17.5% of the sample are Females. The result shows a big difference between males and females ratio in PalTel, due to the nature of the most of technical jobs in the organization which the larger part of jobs like connecting telephone lines, repairing these lines, connecting external networks or another hard duties where males are required, in other hand females are concentrated in administration and commercial jobs which the smaller part of jobs.

Table 4-4 Gender

Gender	Frequency	Percent
Male	165	82.5
Female	35	17.5
Total	200	100.0

4.2.4 Department

Table (4-5) shows that 20.0% of the sample from the administration department, 30.0% from commercial department and 50% from technical. These results refer to the fact that the majority of PalTel employees working in the technical department according to the nature of the duties and responsibilities in the work environment while the minority working in administration or commercial departments.

Table 4-5 Department

Department	Frequency	Percent
Administration	40	20.0
Commercial	60	30.0
Technical	100	50.0
Total	200	100.0

4.3 Analyzing and discussing the dimensions of the LO & IP in PalTel:

4.3.1 LO Dimensions:

1- Finding continuous learning opportunities:

Table (4-6) shows the following results:

- The mean of statement #1 "In my organization, people openly discuss mistakes in order to learn from them "equals 7.45 (74.54%), test – value = 11.60, and P- value = 0.000

which is smaller than the level of significance $\alpha = 0.05$. This means that the respondents agreed to this statement.

- The mean of Statement #7 "In my organization, people are rewarded for learning" equals 6.03 (60.26%), Test – value = 0.15, and P-value = 0.439 which is greater than the level of significance $\alpha = 0.05$. This means that the respondents (Do not know, neutral) to this statement.
- The mean of the field "Finding continuous learning opportunities" equals 6.81 (68.05%) Test- value = 7.78 and P-value = 0.000 which is smaller that the level of significance $\alpha = 0.05$. This means that the respondents agreed to field of "Finding continuous learning opportunities".

Results of this table show that employees in PalTel can find continuous opportunities to learn in their organization, the employees agreed that their organization give them opportunities to discuss their mistakes and learn from it, and identify their needs of skills for future works which is very useful for PatTel to develop its work and achieve its goals, But the employees were not sure about providing them by money or other facilities to learn and by being awarded for learning which will affect negatively their motivation and desire to learn and develop their selves and their organization. PalTel have to give more attention to encourage their people to learn and provide them with all required facilities to develop their selves and reward them for getting more knowledge and learning.

These results agreed with the following studies:

- Abu Athra (2007): In which respondents in EDC in UNRWA failed to make an opinion on the statement "on my organization, people are rewarded for learning" which reflect weak level of support learning in EDC.
- Zaeid, Bsheat, and Al Mtaery (2009): According to the results of the field "Finding continuous learning opportunities" when applied on the Royal Commission in Jubail, which runs the largest industrial city in the Kingdom of Soudi Arabia, the statement "in my organization people are rewarded for learning" had the lowest degree in this filed.

Table 4-6 Means and T-Test values for "Finding Continuous learning opportunities.

No.	Statement	Mean	Proportiona l mean (%)	Test value	P-value (Sig.)	Rank
1.	In my organization, people openly discuss mistakes in order to learn from them.	7.45	74.54	11.60	0.000*	1
2.	In my organization, people identify skills they need for future work tasks	6.90	68.98	6.16	0.000*	4
3.	In my organization, people help each other learn	7.35	73.52	10.86	0.000*	2
4.	In my organization, people can get money and other resources to support their learning	6.24	62.37	1.52	0.066	6
5.	In my organization, people are given time to support learning	6.41	64.13	2.71	0.004*	5
6.	In my organization, people view problem in their work as an opportunity to learn	7.23	72.35	9.58	0.000*	3
7.	In my organization, people are rewarded for learning	6.03	60.26	0.15	0.439	7
All statements of the filed		6.81	68.05	7.78	0.000*	

* The mean is significantly different from 6

2- Encouraging enquiry and conversation:

Table (4-7) shows the following results:

- The mean of statement #1 " In my organization, people give open and honest feedback to each other" equals 6.97 (69.69%), Test-value= 7.52 and p-value= 0.000 which is smaller than the level of significance $\alpha = 0.05$. This means that the respondents agreed to this statement.
- The mean of statement #2 "In my organization, people are encouraged to ask "Why" regardless of rank" equals 6.50 (65.00%), Test-value = 3.68, and P-value= 0.000 which is smaller than the level of significance $\alpha = 0.05$. This means that the respondents agreed to this statement.
- The mean of the filed "Encouraging enquiry and conversation" equals 6.78 (67.81%), Test-value= 7.29, and P-value= 0.000 which is smaller than the level of significance $\alpha = 0.05$. This means that the respondents agreed to field of "Encouraging enquiry and conversation"

The results of table (4-7) show that PalTel is an open minded organization, it is encouraging their people to ask, clear their point of views and discuss their mistakes which will lead them to learn and avoid these mistakes in future. All that will positively affect organizational performance and develop it.

Results of this field agreed with following studies:

- Abu Athra (2007): The respondents of EDC in UNRWA agreed on the statement "In my organization, people treat each other with respect".
- Zaeid, Bsheat, and Al Mtaery (2009): In which the statement "In my organization, people treat each other with respect" had the highest mean in the field of "Encouraging enquiry and conversation".

Table 4-7 Means and T-Test values for "Encouraging enquiry and conversation"

No.	Statement	Mean	Proportiona l mean (%)	Test value	P-value (Sig.)	Rank
1.	In my organization, people give open and honest feedback to each other	6.97	69.69	7.52	0.000*	1
2.	In my organization, people are encouraged to ask "Why" regardless of rank	6.50	65.00	3.68	0.000*	4
3.	In my organization, whenever people state their view, they also ask what others think	6.95	69.54	7.79	0.000*	2
4.	In my organization, people treat each other with respect.	6.70	66.99	4.50	0.000*	3
All statements of the filed		6.78	67.81	7.29	0.000*	

* The mean is significantly different from 6

3- Encouraging cooperation and collective learning:

Table (4-8) shows the following results:

- The mean of statement #1 "In my organization, teams/groups have the freedom to adapt their goals as needed" equals 6.87 (68.72%), Test-value= 6.83, and P-value =0.000 which is smaller than the level of significance $\alpha = 0.05$. This means that the respondents agreed to this statement.

- The mean of Statement #2 "In my organization, teams/ groups treat members as equals, regardless of rank, culture, or other differences "equals 6.17 (61.73%), Test-value = 1.04, and P-value = 0.150 which is greater than the level of significance $\alpha = 0.05$. This means that the respondents (Do not know, neutral) to this statement.
- The mean of the field "People treat each other with respect" equals 6.59 (65.95%), Test-value = 4.89, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. This means that the respondents agreed to field of "Encouraging cooperation and collective learning".

Table (4-8) results show that PalTel is an organization that values its people and takes their opinions seriously. Also encourages them to value team working and respect each other by rewarding their achievements as a team or a group, but employees were disappointed about being treated in equalization regardless of rank, or culture or other difference which means that PalTel has to give attention to organizational equalization between its people and reward them for their commitment of the organization goals and strategies, and their achievements and learning regardless of other specializations they have or don't.

These results disagree with (Abu Athra, 2007) study which found that the respondents agreed that the supervisors in EDC in UNRWA are treated as equals, regardless of rank, culture, or other differences.

Table 4-8 Means and T-Test values for "Encouraging cooperation and collective learning"

No	Statement	Mean	Proportiona l mean (%)	Test value	P-value (Sig.)	Rank
1.	In my organization, teams/groups have the freedom to adapt their goals as needed .	6.87	68.72	6.83	0.000*	1
2.	In my organization, teams/groups treat members as equals, regardless of rank, culture, or other differences	6.17	61.73	1.04	0.150	5
3.	In my organization, teams/groups revise their thinking as a result of group discussions or information collected.	6.72	67.19	4.93	0.000*	3
4.	In my organization, teams/groups are rewarded for their achievements as a team/group.	6.82	68.21	5.10	0.000*	2
5.	In my organization, teams/groups are confident that the organization will act on their recommendations.	6.40	63.96	2.45	0.008*	4
All statements of the filed		6.59	65.95	4.89	0.000*	

* The mean is significantly from 6

4- Create sharing knowledge and learning systems:

Table (4-9) shows the following results:

- The mean of statement #2 "My organization enables people to get needed information at any time quickly and easily" equals 7.36 (73.57%), Test-value = 9.67, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. This means that the respondents agreed to this statement.

- The mean of Statement #1 "My organization uses two-way communication on a regular basis, such as suggestion system, electronic bulletin boards, or town hall/open meetings" equals 7.21 (72.14%), Test-value = 9.19, and p-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. This means that the respondents agreed to this statement.
- The mean of the field "Create Knowledge and learning sharing systems" equals 7.29 (72.86%), Test-value = 11.73 and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. This means that the respondents agreed to field of "Create knowledge and learning sharing systems".

Table (4-9) results show that PalTel have a two-way communication with its people by using suggestion system and open meeting, also it provides any information needed for the job and provide lessons for them. This process will lead to anticipate the employee current and future performance.

This clears that PalTel is an open minded organization try to get the best results and highest quality performance in market.

These results agree with:

- Abu Athra (2007): results, which argued that supervisors in EDC in UNRWA agreed on the statement "My organization uses two-way communication on a regular basis, such as suggestion systems, electronic bulletin boards, or town hall/ open meeting".
- Zaeid, Bsheat, and Al Mtaery (2009): In which the statement "My organization uses two-way communication on a regular basis, such as suggestion systems, electronic bulletin boards, or town hall/open meeting "had the highest mean value in the field "Create knowledge and learning sharing systems".

Table 4-9 Means and T-Test values for "Create knowledge and learning sharing systems"

No	Statement	Mean	Proportional mean (%)	Test value	P-value (Sig.)	Rank
1.	My organization uses two-way communication on a regular basis, such as suggestion system, electronic bulletin boards, or town hall/open meetings	7.21	72.14	9.19	0.000*	4
2.	My organization enables people to get needed information at any time quickly and easily	7.36	73.57	9.67	0.000*	1
3.	My organization creates systems to measure gaps between current and expected performance	7.33	73.32	10.76	0.000*	2
4.	My organization makes its lessons learned available to all employees.	7.24	72.42	9.28	0.000*	3
All statements of the filed		7.29	72.86	11.73	0.000*	

*This mean is significantly different from 6

5- Empower people by shared vision:

Table (4-10) shows the following results:

- The mean of statement #2 "My organization gives people control over the resources they need to accomplish their work" equals 7.19 (71.89%), Test-value = 9.16, and P-value= 0.000 which is smaller than the level of significance $\alpha = 0.05$. This means that the respondents agreed to this statement.
- The mean of statement #3 "My organization supports employees who take calculated risks" equals 6.92 (69.18%), Test-value = 6.75, and P-value= 0.000 which is smaller than the level of significance $\alpha = 0.05$. This means that the respondents agreed to this statement.
- The mean of the filed "Empower people by shared vision" equals 7.03 (70.33%), Test-value = 8.78, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. This means that the respondents agreed to field of "Empower people by shared vision".

Due to the result of table (4-10) PalTel is an organization supports its people, values their achievements, gives them control over the resources they need and encourages them to contribute to its vision, these results disagree with (Abu Athra, 2007) study which found that the respondents in EDC in UNRWA failed to make an opinion about the statements (My organization invites people to contribute to the organization's vision, My organization gives people control over the resources they need to accomplish their work, my organization supports employees who take calculated risks and My organization builds alignment of visions across different levels and work groups).

Table 4-10 Means and T-Test values for "Empower people by shared vision"

No.	Statement	Mean	Proportion al mean (%)	Test value	P-value (Sig.)	Rank
1.	My organization invites people to contribute to the organization's vision	7.04	70.63	6.92	0.000*	2
2.	My organization gives people control over the resources they need to accomplish their work	7.19	71.89	9.16	0.000*	1
3.	My organization supports employees who take calculated risks	6.92	69.18	6.75	0.000*	4
4.	My organization builds alignment of visions across different levels and work groups	6.99	69.90	7.27	0.000*	3
All statements of the filed		7.03	70.33	8.78	0.000*	

* The mean is significantly different from 6

6- Connect learning organization with external environment:

Table (4-11) shows the following results:

- The mean of statement #3 "My organization work together with the outside community to meet mutual needs" equals 7.72 (77.23%), Test-value = 14.43, and P-value= 0.000 which is smaller than the level of significance $\alpha = 0.05$. This means that the respondents agreed to this statement.

- The mean of statement #1 "My organization encourages people to think from a global perspective" equals 7.03 (70.31%), Test-value= 7.09, and P-value= 0.000 which is smaller than the level of significance $\alpha = 0.05$. This means that the respondents agreed to this statement.
- The mean of statement #1 "My organization encourages people to think from a global perspective" equals 7.03 (70.31%), Test-value= 7.09, and P-value= 0.000 which is smaller than the level of significance $\alpha = 0.05$. This means that the respondents agreed to this statement.
- The mean of the field "Connect learning organization with external environment" equals 7.47 (74.69%), Test-value= 13.78, and P-value= 0.000 which is smaller than the level of significance $\alpha = 0.05$. This means that the respondents agreed to field of "Connect learning organization with external environment".

Due to table (4-11) results respondents are strongly agree with the subjects that PalTel encourages its people to be open minded and think from global perspective, gives the priority for its customers and works together with outside community. That seems to be normal since PalTel is the most important communication company in Palestine and it depends on connecting with external environment and customers satisfaction.

Table 4-11 Means and T-Test values for "Connect learning organization with external environment"

No.	Statement	Mean	Proportion al mean (%)	Test value	P-value (Sig.)	Rank
1.	My organization encourages people to think from a global perspective	7.03	70.31	7.09	0.000*	4
2.	My organization encourages everyone to bring the customer's view into the decision making process.	7.69	76.89	13.50	0.000*	2
3.	My organization works together with the outside community to meet mutual needs	7.72	77.23	14.43	0.000*	1
4.	My organization encourages people to get answers from across the organization when solving problems.	7.44	74.39	11.33	0.000*	3
All statements of the filed		7.47	74.69	13.78	0.000*	

* The mean is significantly different from 6

7- Strategic leadership support learning:

Table (4-12) shows the following results:

- The mean of statement #2 "In my organization, leaders empower others to help carry out the organization's vision" equals 7.25 (72.46%), Test-value = 10.22, and P-value= 0.000 which is smaller than the level of significance $\alpha = 0.05$. This means that the respondents agreed to this statement.
- The mean of statement #3 "In my organization, leaders continually look for opportunities to learn" equals 6.82 (68.16%), Test-value = 5.69, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. This means that the respondents agreed to this statement.
- The mean of the field "Strategic leadership support learning" equals 7.00 (70.03%), Test-value = 8.77, and P-value = 0.000 which is smaller than the level of significance

$\alpha = 0.05$. This means that the respondents agreed to field of " Strategic leadership support learning ".

Due to the result of table (4-12) show that PalTel employees agree their leaders support learning and training, look for opportunities to learn, encourage people to carry out the organization vision, and ensure that the organization's actions are consistent with its values. These results agree with the results of (Abu Athra, 2007) study in the statement (In my organization, leaders generally support requests for learning opportunities and training) and (In my organization, leaders ensure that the organization's actions are consistent with its values) where applicant were agree in these statements in EDC in UNRWA but it disagree with (Abu Athra 2007) study in the statements (In my organization, leaders empower others to help carry out the organization vision) and (In my organization, leaders continually look for opportunities to learn) since the EDC employees failed to make an opinion about these statements.

Table 4-12 Means and T-Test values for " Strategic leadership support learning"

No.	Statement	Mean	Proportional mean (%)	Test value	P-value (Sig.)	Rank
1.	In my organization, leaders generally support requests for learning opportunities and training	6.91	69.13	6.28	0.000*	3
2.	In my organization, leaders empower others to help carry out the organization's vision	7.25	72.46	10.22	0.000*	1
3.	In my organization, leaders continually look for opportunities to learn	6.82	68.16	5.69	0.000*	4
4.	In my organization, leaders ensure that the organization's actions are consistent with its values.	7.06	70.56	8.26	0.000*	2
All statements of the filed		7.00	70.03	8.77	0.000*	

* The mean is significantly different from 6

8- level of "Learning Organization":

Table (4-13) shows the following results:

- The mean of all statement of the field "Learning Organization" equals 6.97 (69.67%), Test-value = 10.60, and P-value= 0.000 which is smaller than the level of significance $\alpha = 0.05$. This means that the respondents agreed to this statements of the field "learning Organization".

This means that PalTel has a moderate aspect of LO which means they have to give more attention to all dimensions of LO.

Table 4-13 Means and T-Test values of the aspect "Learning organization" in PalTel

Item	Mean	Proportional mean (%)	Test value	P-value (Sig.)
All statement of the field "learning Organization"	6.97	69.67	10.60	0.000*

* The mean is significantly different from 6

The result agreed with the following studies:

1. Al-Qutop, Futa and Ma'ani (2011) which aims to examine the degree to which the insurance sector companies in Jordan are considered learning organizations. The results showed that the insurance sector in Jordan is moving towards transferring into a learning organization.
2. Al-Nsour and Al Weshah (2011). The study results show that learning in Jordanian banks has positive impact on supporting intellectual capital by its three dimensions (human capital, structural capital, and customer capital). Which support the hypothesis that learning organization has a positive impact on banks intellectual capital.
3. Jyotsna and Bhatnagar (2006) which implies the criticality of organizational learning capability (OLC) and its enhancement of Indian Managers. The study lends credence to measuring OLC in Indian organizations. Information Technology sector managers and multinational managers showing higher OLC.

On other hand the results disagree with the following studies:

1. AbuAthra (2007) study where the result indicate that the EDC in the educational department does not have the LO characteristics in general.
2. Zaeid, Bsheat and Al Mtaery (2009)

The result of the study show that there is weakness of the seven dimensions of the learning organization in the Core Business of the Royal Commission in Jubail, which runs the largest industrial City in the Kingdom of Saudi Arabia.

The averages of the seven dimensions ranged between (3.44) and (3.94) out of (6).

4.3.2 IP Dimensions:

1- Leadership:

Table (4-14) shows the following results:

- The mean of statement #1 "leaders determine and clear organization goals" equals 7.54 (75.44%), Test-value = 12.42, and P-value= 0.000 which is smaller than the level of significance $\alpha = 0.05$. This means that the respondents agreed to this statement.
- The mean of statement #3 "Leaders involve in improving management systems" equals 7.04 (70.41%), Test-value= 8.23, and P-value= 0.000 which is smaller than the level of significance $\alpha = 0.05$. This means that the respondents agreed to this statement.
- The mean of the field "Leadership" equals 7.30 (72.99%), Test-value= 12.64, and P-value= 0.000 which is smaller than the level of significance $\alpha = 0.05$. This means that the respondents agreed to field of " leadership ".

Due to the results of table (4-14) PalTel employees were satisfied about their leaders support to them, their leaders commitment to the organizations goals and their leaders relationship with customers and suppliers which will affect the PalTel institutional performance positively.

Table 4-14 Means and T-Test values for "leadership"

No.	Statement	Mean	Proportional mean (%)	Test value	P-value (Sig.)	Rank
1.	leaders determine and clear organization goals	7.54	75.44	12.42	0.000*	1
2.	Leadership display ethical behavior	7.28	72.78	9.88	0.000*	4
3.	Leaders involve in improving management systems	7.04	70.41	8.23	0.000*	6
4.	Leader's commitment to organization goals	7.36	73.61	11.47	0.000*	3
5.	Leader's relationship with customers. Leader's relationship with suppliers.	7.24	72.38	9.71	0.000*	5
6.	Leader's empowerment of employees.	7.41	74.09	10.05	0.000*	2
All statements of the filed		7.30	72.99	12.64	0.000*	

* The mean is significantly different from 6

2- Strategy:

Table (4-15) Shows the following results:

- The mean of statement #1 "Consideration of Political, economic, social and legislative factors" equals 8.25 (82.53%), Test-value = 18.09, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. This means that the respondents agreed to this statement.
- The mean of statement #6 "Communication of Strategy to employees and key stakeholders" equals 6.89 (68.86%), Test-value = 5.32, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. This means that the respondents agreed to this statement.
- The mean of the field "Strategy" equals 7.73 (77.29%), Test-value = 17.79, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. This means that the respondents agreed to field of "Strategy".

Due to the results of table (4-15) PalTel has a clear vision and mission statements which are complement with its goals, also it determines strength and weakness points and risks it may face to its people. Periodically PalTel assess the efficiency and validity of its strategic plans which enforce it to avoid weakness points and support strength point in future.

Table 4-15 Means and T-Test values for "Strategy"

No.	Statement	Mean	Proportiona l mean (%)	Test value	P-value (Sig.)	Rank
1.	Consideration of Political, economic, social and legislative factors	8.25	82.53	18.09	0.000*	1
2.	Vision and Mission in line with the objectives of the company	8.18	81.80	17.54	0.000*	2
3.	Collation and analysis of quantitative data	7.90	78.97	17.54	0.000*	3
4.	Consideration of the organization's strengths and weaknesses.	7.76	77.58	15.10	0.000*	4
5.	Consideration of political, economic, social and legislative factors.	7.61	76.08	13.51	0.000*	6
6.	Communication of Strategy to employees and key stakeholders	6.89	68.86	5.32	0.000*	8
7.	Consideration of the organization's strengths and weaknesses	7.72	77.22	15.22	0.000*	5
8.	Inclusion of principles of quality and continuous improvement.	7.52	75.24	11.42	0.000*	7
All statements of the filed		7.73	77.29	17.79	0.000*	

* The mean is significantly different from 6

3- People:

Table (4-16) Shows the following results:

- The mean of statement #1 "Alignment of HR plans and policies with organization Strategy" equals 7.58 (75.77%), Test-value = 12.93, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. This means that the respondents agreed to this statement.
- The mean of statement #6 "Sharing of vision and mission with employees" equals 6.61 (66.11%), Test-value = 3.93, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. This means that the respondents agreed to this statement.
- The mean of the field "People" equals 7.21 (72.06%), Test-value = 10.92, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. This means that the respondents agreed to field of "People".

Results of table (4-16) show that PalTel is an organization consider its people as the most important resource of its resources, its employees agree that their organization values them, shares them in its vision and mission, gives them opportunities to develop their selves, and rewards their work.

Table 4-16 Means and T-Test values for "People"

No.	Statement	Mean	Proportiona l mean (%)	Test value	P-value (Sig.)	Rank
1.	Alignment of HR plans and policies with organization Strategy	7.58	75.77	12.93	0.000*	1
2.	Succession planning and career development opportunities	7.40	74.02	10.15	0.000*	3
3.	Collection of employee feedback on expectations and needs.	7.12	71.20	8.86	0.000*	5
4.	Assessment of skills and capability development needs	7.45	74.51	12.57	0.000*	2
5.	Enabling employees to realize their full potential	6.99	69.95	6.90	0.000*	7
6.	Sharing of vision and mission with employees	6.61	66.11	3.93	0.000*	8
7.	Design of jobs and work teams for innovation and improvement.	7.28	72.80	9.24	0.000*	4
8.	Compensation, recognition and reward of employees.	7.11	71.15	8.30	0.000*	6
All statements of the filed		7.21	72.06	10.92	0.000*	

* The mean is significantly different from 6

4- Partnership and Resources:

Table (4-17) shows the following results:

- The mean of statement #1 "Identifying and managing supplier relationships" equals 7.83 (78.34%), Test-value = 14.68, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. This means that the respondents agreed to this statement.
- The mean of statement #5 "Data accuracy, utility, security and availability to people who need it" equals 7.08 (70.78%), Test-value = 7.55, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. This means that the respondents agreed to this statement.

The mean of the field " Partnership and Resources " equals 7.63 (76.28%), Test-value = 15.54, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. This means that the respondents agreed to field of " Partnership and Resources".

Table (4-17) results show that PalTel is an organization cares for its people as a core resource and partners this comes from offering data to its partners and employees, by identifying and managing relationships between suppliers and offering partnerships and opportunities to non-suppliers, also by alignment the organization strategy with financial strategy, the company can give accurate information to people who needs it.

Due to the important role PatTel plays in Gaza strip or in all Palestine it has to build strong relationships with all external parties, its suppliers, stakeholders, and servers. It also has to use valid technology and management systems to support data influence to its people as it needed.

Table 4-17 Means and T-Test values for "Partnership and Resources"

No	Statement	Mean	Proportional mean (%)	Test value	P-value (Sig.)	Rank
1.	Identifying and managing supplier relationships	7.83	78.34	14.68	0.000*	1
2.	Identifying and developing (non-supplier) partnership opportunities	7.66	76.63	14.85	0.000*	4
3.	Alignment of financial strategy and policies with organization strategy.	7.75	77.51	13.74	0.000*	3
4.	Mechanisms for obtaining sharing, and using information (including e-commerce and intranet)	7.81	78.13	13.87	0.000*	2
5.	Data accuracy, utility, security and availability to people who need it	7.08	70.78	7.55	0.000*	5
All statements of the filed		7.63	76.28	15.54	0.000*	

* The mean is significantly different from 6

5- Processes:

Table (4-18) shows the following results:

- The mean of statement #5 "Continuous improvement of process performance" equals 8.26 (82.64%), Test-value = 18.53, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. This means that the respondents agreed to this statement.
- The mean of statement #1 "Identification and definition (detailing) of key processes" equals 7.40 (73.99%), Test-value = 10.59, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. This means that the respondents agreed to this statement.
- The mean of the field "Processes" equals 7.71 (77.08%), Test-value = 15.98, and P-value = 0.0 which is smaller than the level of significance $\alpha = 0.05$. This means that the respondents agreed to field of " Processes ".

Table (4-18) results show that PalTel as a social and service organization is careful of improving its processes, uses customers feedback in this improvement, keeps its people know in any updates in these processes, and trains them on these updates to keep its processes and alignment with its strategies.

Table 4-18 Means and T-Test values for " Processes "

No	Statement	Mean	Proportional mean (%)	Test value	P-value (Sig.)	Rank
1.	Identification and definition (detailing) of key processes	7.40	73.99	10.59	0.000*	5
2.	Mechanisms for acquiring customer feedback	7.59	75.85	13.40	0.000*	4
3.	Communicating changes to stakeholders, and reviewing impact of changes	7.66	76.63	12.02	0.000*	2
4.	Assignment of responsibility for managing processes.	7.63	76.27	11.34	0.000*	3
5.	Continuous improvement of process performance	8.26	82.64	18.53	0.000*	1
All statements of the filed		7.71	77.08	15.98	0.000*	

* The mean is significantly different from 6

6- Customer results:

Table (4-19) shows the following results:

- The mean of statement #1 "Appropriate of targets for customer satisfaction/ performance" equals 8.17 (81.74%), Test-value = 17.03, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. This means that the respondents agreed to this statement.
- The mean of statement #3 "Acquisition of data for the measurement of customer experiences and needs" equals 7.57 (75.71%), Test-value = 13.94, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. This means that the respondents agreed to this statement.
- The mean of the field "Customer results" equals 7.87 (78.72%), Test-value = 19.67, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. This means that the respondents agreed to field of "Customer results".

Table (4-19) results show that PalTel is a caring company which interests in its customers satisfaction of its performance, because of that the company tries its best to gather information about the customers then analyze the data and compares it to get the best results out of it.

Table 4-19 Means and T-Test values for "Customer result"

No.	Statement	Mean	Proportional mean (%)	Test value	P-value (Sig.)	Rank
1.	Appropriate of targets for customer satisfaction/ performance	8.17	81.74	17.03	0.000*	1
2.	Factors affecting customer satisfaction understandable and available built in indicators to make sure to check that	8.08	80.79	20.32	0.000*	2
3.	Acquisition of data for the measurement of customer experiences and needs	7.57	75.71	13.94	0.000*	6
4.	Cause and effect analysis to explain customer results.	7.80	78.01	13.80	0.000*	4
5.	Comparison of customer perceptions with other units and organization (best in class?)	7.86	78.59	14.09	0.000*	3
6.	Use of internal performance indicators to measure performance against customer targets	7.76	77.58	13.87	0.000*	5
All statements of the filed		7.87	78.72	19.67	0.000*	

* The mean is significantly different from 6

7- Key performance results:

Table (4-20) shows the following results:

- The mean of statement #1 "Acquisition of data for the measurement of key business performance results" equals 8.07 (80.73%), Test-value = 17.27, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. This means that the respondents agreed to this statement.
- The mean of statement #6 "Cause and effect analysis to explain key performance results" equals 7.43 (74.29%), Test-value = 10.45, and P-value = 0.000 which is smaller

than the level of significance $\alpha = 0.05$. This means that the respondents agreed to this statement.

- The mean of the field "Key performance results" equals 7.73 (77.32%), Test-value = 16.29, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. This means that the respondents agreed to field of " Key performance results".

Table (4-20) results show that PalTel is a company depends on data to measure its performance in the market, to do so the company gathers data from every available resource and analyzes the cause and effects of it, to avoid company history mistakes and improve its performance.

Table 4-20 Means and T-Test values for " Key performance results "

No	Statement	Mean	Proportion al mean (%)	Test value	P-value (Sig.)	Rank
1.	Acquisition of data for the measurement of key business performance results	8.07	80.73	17.27	0.000*	1
2.	Appropriate of targets for key performance results	7.88	78.85	15.72	0.000*	2
3.	Cause and effect analysis to explain key driver results	7.57	75.71	11.43	0.000*	5
4.	Improving trends and levels of key performance results	7.72	77.17	12.94	0.000*	3
5.	Improving trends and levels of key performance drivers against targets.	7.72	77.17	14.02	0.000*	3
6.	Cause and effect analysis to explain key performance results	7.43	74.29	10.45	0.000*	6
All statements of the filed		7.73	77.32	16.29	0.000*	

* The mean is significantly different from 6

8- Institutional performances:

Table (4-21) shows the following results:

- The mean of all statement of the field " Institutional performance " equals 7.57 (75.70%), Test-value = 18.03, and P-value= 0.000 which is smaller than the level of significance $\alpha = 0.05$. This means that the respondents agreed to this statements of the field " Institutional performance ".

Table 4-21 Means and T-Test values for " Institutional performances "

Item	Mean	Proportiona l mean (%)	Test value	P-value (Sig.)
All statement of the field " Institutional performance"	7.57	75.70	18.03	0.000*

* The mean is significantly different from 6

Previous results showed that PalTel has a good level of IP. These results agreed with the following studies:

- Al Shaikh Ali (2007): The results of this study show that Managers, employees and shareholders equally evaluate the performance of the company in both customer and financial, since the financial indicators of PalTel show that the company has realized a high growth rates.

- Abu Khadra and Rawabdeh (2006): Which argued that in Jordanian industrial companies the constructs are interrelated and focus on the transfer of knowledge and best practices, continuous improvement, total quality management principles, and learning development. These constructs are combined together to indicate good management and HR practices that exist within the structure of a company in Jordan.

On other hand the results disagreed with the following studies:

- AbuAthra (2007) which indicates that the respondents from Educational Development Center (EDC) in UNRWA were failed to make an opinion about the level of performance of their organization, which reflect weak performance at EDC.

4.4 Testing the study Hypotheses

4.4.1 Testing of hypothesis 1

The first hypothesis: There is statistical relationship between the dimensions of the learning organization (creating opportunities for continuous learning, encourage inquiry and dialogue, promote cooperation and team learning, enabling employees to gather them around a common vision, create systems for sharing knowledge and learning, linking the organization with the external environment, strategic leadership) and the institutional performance (Leadership, Strategy, People, Participation and resources, Procedures, Results for the customer, Key Performance Results) in the Palestinian Telecommunications Company in Gaza Strip.

1- Table (4-22) shows that the correlation coefficient between creating opportunities for continuous learning and the institutional Performance equals .584 and the p-value (Sig.) equals 0.000. This means that there is a significant positive relationship between creating opportunities for continuous learning and the institutional Performance.

2- Table (4-22) shows that the correlation coefficient between encourage inquiry and dialogue and the institutional Performance equals .490 and the p-value (Sig.) equals 0.000. This means that there is a significant positive relationship between encourage inquiry and dialogue and the institutional Performance.

3- Table (4-22) shows that the correlation coefficient between promote cooperation and team learning and the institutional Performance equals .635 and the p-value (Sig.) equals 0.000. This means that there is a significant positive relationship between promote cooperation and team learning and the institutional Performance.

4- Table (4-22) shows that the correlation coefficient between create systems for sharing knowledge and learning and the institutional Performance equals .635 and the p-value (Sig.) equals 0.000. This means that there is a significant positive relationship between create systems for sharing knowledge and learning and the institutional Performance.

5- Table (4-22) shows that the correlation coefficient between enabling employees to gather them around a common vision and the institutional Performance equals .736 and the p-value (Sig.) equals 0.000. This means that there is a significant positive relationship between enabling employees to gather them around a common vision and the institutional Performance.

6- Table (4-22) shows that the correlation coefficient between linking the organization with the external environment and the institutional Performance equals .705 and the p-value (Sig.) equals 0.000. This means that there is a significant positive relationship between linking the organization with the external environment and the institutional Performance.

7- Table (4-22) shows that the correlation coefficient between strategic leadership and the institutional Performance equals .737 and the p-value (Sig.) equals 0.000. This means that there is a significant positive relationship between strategic leadership and the institutional Performance.

8- Table (4-22) shows that correlation coefficient between Learning Organization and the institutional Performance equals .783 and the p-value (Sig.) equals 0.000. This means that there is a significant positive relationship between Learning Organization and the institutional Performance.

The results of analysis agreed with the following studies:

1- AbuAthra, Farid (2007) study which argued that according to the results, the first hypothesis "There is a significant correlation between availability of LO characteristics in UNRWA education development center & EDC performance" is accepted.

2- Liz Lee-Kelley's (2007) that concludes that all the learning organization disciplines discussed in the study correlated to at least one of the job satisfaction dimensions, of which reward and challenge exerted the most significant influence upon turnover intent.

3- Su-Chao Chang, Ming-Shig Lee, (2007). Results indicate that the various operation extents of learning organization have significant difference under the dimensions of leadership, organizational culture and the operation of learning organization. Both leadership and organizational culture can positively and significantly affect the operation of learning organization. In addition, the operation of learning organizations has a significantly positive effect on employees' job satisfaction.

4- Wang Xiaohui and Yang Baiyin (2006) results indicated that the learning organization culture of a firm has a strong positive impact on employees' job satisfaction and perceived organizational performance.

5- Ngoc Thuy Pham, Fredric William Swierczek (2006) which argued that managers who would like to facilitate learning in the organization, improve performance and promote a better organizational climate should demonstrate their commitment to learning, provide incentives to use that learning and use a more collaborative approach.

6- Nekane Aramburu, Josune Saenz, Olga Rivera (2006) which argued that it is true that companies which have experienced changes in which a high level of learning has been achieved have adapted their management systems more according to what theorists deem appropriate to help future learning.

7- Marah F. Abu Khadra, Ibrahim A. Rawabdeh's (2006) conclude that the positive relationship between the LO constructs and organizational performance, are to be supported.

Table 4-22 Correlation coefficient between learning organization dimensions and institutional performance of PalTal

No	Field	Pearson Correlation Coefficient	P –Value (Sig.)
1.	creating opportunities for continuous learning and the institutional Performance	.584	0.000*
2.	encourage inquiry and dialogue	.490	0.000*
3.	promote cooperation and team learning	.635	0.000*
4.	create systems for sharing knowledge and learning	.635	0.000*
5.	enabling employees to gather them around a common vision	.736	0.000*
6.	linking the organization with the external environment	.705	0.000*
7.	strategic leadership	.737	0.000*
Learning Organization		.783	0.000*

* Correlation is statistically significant at 0.05 levels

4.4.2: Testing of hypothesis 2.

Hypothesis 2: There is an insignificant difference in the level of LO characteristics among the investigated members attributed to the personal characteristics (Department, Education degree, Gender, experience).

1- Experience:

There is statistical differences at the significance level ($\alpha \leq 0.05$) between the average ratings of the respondents attributed to Experience.

Table (4-23) shows that the p-value (Sig.) is smaller than the level of significance $\alpha = 0.05$ for the field "learning organization", then there is significant difference in respondents' answers toward these field due to experience. This means that the characteristic of the respondents Experience has effect on this field.

This result disagrees with the study of:

AbuAthra, Farid (2007); which result is There is an insignificant difference in the level of LO characteristics among the investigated members attributed to the personal characteristics (experience).

Table (4-23) shows that the p-value (Sig.) is greater than the level of significance $\alpha = 0.05$ for the field "Institutional performance", then there is insignificant difference in respondent's answers toward these fields due to Years of service. This means that the characteristic of the respondents experience has no effect on this field.

Table 4-23 ANOVA test of the fields and their p-values for Experience

No	Field	Test Value	P-value (Sig.)
1.	learning organization	3.212	0.042*
2.	Institutional performance	2.107	0.124
All fields together		2.081	0.128

* The mean difference is significant a 0.05 level

Table (4-24) shows the mean for each field for Years of experience:

For the field "learning organization", the mean for respondents with Experience of 10 years and higher is higher than other groups.

From Tables (4-23) and (4-24) the employee's answers had affected by the experience on the LO field, this can be explained due to the nature of the LO dimensions because they depend mostly on experience which gives a high advantage to the people with high experience. As seen from table (4-23) and (4-24) the employee's answers didn't affected by their Experience on the IP field. Because PalTel hire people with high qualification from the beginning and the new employee receive an instant training to acquire the required skills.

Table 4-24 Mean for each field of Experience

No	Field	Means		
		Less than 5 year	5 - Less than 10 year	10 years and higher
1.	learning organization	6.82	6.46	7.10
2.	Institutional performance	7.19	7.40	7.68
All fields together		7.11	7.01	7.43

2- Gender:

There is statistical differences at the significance level ($\alpha \leq 0.05$) between the average ratings of the respondents attributed to Gender.

Table (4-25) shows that the p-value (Sig.) is greater than the level of significance $\alpha = 0.05$ for each field, then there is insignificant difference in respondent's answers toward each field due to Gender. This means that the characteristic of the respondents Gender has no effect on each field.

From analyzing table (4-25), its results show that despite the fact there is a difference in gender in the company departments, this difference has no effect on company overall performance in each field, because PalTel treats both genders with equality in training, evaluation, Incentive and promotions.

This result agrees with:

AbuAthra, Farid (2007) which argued that there is an insignificant difference in the level of LO characteristics among the investigated members attributed to the personal characteristics (gender).

Table 4-25 Independent Samples T-Test of the fields and their p-values for Gender

No	Field	Test Value	P-value (Sig.)
1.	learning organization	0.111	0.912
2.	Institutional performance	-0.328	0.743
All fields together		-0.522	0.603

3- Department:

There is statistical differences at the significance level ($\alpha \leq 0.05$) between the average ratings of the respondents attributed Department.

Table (4-26) shows that the p-value (Sig.) is greater than the level of significance $\alpha = 0.05$ for each field, then there is insignificant difference in respondents' answers toward each field due to Department. This means that the characteristic of the respondents department has no effect on each field. As seen from table (4-26) the employees answers didn't affected by their departments. This is a normal result because PalTel apply the same policies and procedures in each department and all these departments are responding to the same high administration.

This result agreed with the following studies:

AbuAthra (2007) which argued that there is an insignificant difference in the level of LO characteristics among the investigated members attributed to the personal characteristics (Specialization).

Table 4-26 ANOVA test of the fields and their p-values for Department

No	Field	Test Value	P-value (Sig.)
1.	learning organization	0.822	0.441
2.	Institutional performance	0.237	0.789
All fields together		0.119	0.888

4- Education degree

There is statistical differences at the significance level ($\alpha \leq 0.05$) between the average ratings of the respondents attributed to Education degree.

Table (4-27) shows that the p-value (Sig.) is smaller than level of significance $\alpha = 0.05$ for each field, then there is significant difference in respondents' answers toward these fields due to Qualification. This means that the characteristic of the respondents' qualification has effect on each field.

Table 4-27 ANOVA test of the fields and their p-values for Qualification

No	Field	Test Value	P-value (Sig.)
1.	learning organization	5.924	0.001*
2.	Institutional performance	3.245	0.023*
All fields together		4.264	0.006*

* The mean difference is significant a 0.05 level

Table (4-28) shows the mean for each field for Qualification.

For all fields together, the mean for respondents with Qualification of Bachelor is higher than other groups.

Table 4-28 Mean for each field of Qualification

No	Field	Means			
		Master	Bachelor	Diploma	High - school
1.	learning organization	5.83	7.15	6.62	7.25
2.	Institutional performance	6.98	7.77	7.21	7.61
All fields together		6.49	7.51	7.01	7.44

These results mean that respondents had affected by their qualifications at both fields (LO, IP) and the most category was the Bachelor holders.

This result agreed with the study of AbuAthra (2007).

Chapter 5

Conclusions and recommendations

5.1 Conclusion

After testing the research hypotheses about the existence of the LO dimensions in PalTel the following results could be stated:

Level of Learning Organization:

The level of LO in PalTel is (69.67%) which reflect that the LO needs further development. Under this title of LO, it could be the following results reveled:

1. The level of LO dimension "Continuous Learning Opportunities" in PalTel is good (68.05%), although its employees were not sure about the dimension "people are rewarded for learning".
2. The level of LO dimension "Encouraging enquiry and conversation" in PalTel is good (67.81%).
3. The level of LO dimension "Encouraging cooperation and collective learning" in PalTel is good (65.59%), although its employees were disagree about the field "In my organization, teams/groups treat members as equals, regardless of rank, culture, or other differences".
4. The level of LO dimension "Create sharing knowledge and learning systems" in PalTel is good (72.86%).
5. The level of LO dimension "Empower people by shared vision" in PalTel is good (70.33%).
6. The level of LO dimension "Connect learning organization with external environment" in PalTel is good (74.69%).
7. The level of LO dimension "Strategic leadership support learning" in PalTel is good (70.03%).

After testing PalTel institutional performance according to criteria of EFQM model, found the level of Institutional Performance of PalTel is (75.70%), which reflect that relatively it is better than the level of LO. In general the IP needs more efforts to develop. Under this title the following results could be stated:

- 1- The level of IP criteria "Leadership" in PalTel is (72.99%) which reflect agood level of leadership in PalTel.
- 2- The level of IP criteria "strategy" in PalTel (77.29%) which reflect that PalTel uses good strategies to achieve its goals.
- 3- The level of IP criteria "People" in PalTel is (72.06%) which reflect that people of PalTel are relatively satisfied.
- 4- The level of IP criteria "Partnership and resources" in PalTel is (76.28%) which reflect that PalTel has a good relationships with its partnership and good governance of its resources...
- 5- The level of IP criteria "Processes" in PalTel is (77.08%) which reflect that PalTel manages its processes fairly.
- 6- The level of IP criteria "Customer results" in PalTel is (78.72%) which reflect that PalTel customers are relatively satisfied.
- 7- The level of IP criteria "Key performance results" in PalTel is good (77.32%).

After testing the research hypothesis about the correlation between the LO dimensions at PalTel and its institutional performance, the following results could be stated:

- 1- There is a positive correlation between the LO dimensions and the institutional performance of PalTel.
- 2- There is a significant positive relationship between "Creating opportunities for continuous learning" and the institutional Performance.
- 3- There is a significant positive relationship between "Encourage enquiry and conversation" and the institutional Performance.
- 4- There is a significant positive relationship between "Encourage cooperation and team learning" and the institutional Performance.
- 5- There is a significant positive relationship between "Create knowledge and learning sharing systems" and the institutional Performance.
- 6- There is a significant positive relationship between "Empower people by shared vision" and the institutional Performance.
- 7- There is a significant positive relationship between "Connect learning organization with external environment" and the institutional Performance.
- 8- There is a significant positive relationship between "Strategic leadership support learning" and the institutional Performance.

After testing the research hypothesis about the difference in respondents' answers about existence of LO dimensions attributed to the "Experience" in PalTel, the following results could be stated:

- 1- There is a significant difference in respondents' answers toward LO dimension due to the "Experience" in PalTel among the investigated members who have more than 10 years experience in favor of other members.
- 2- There is insignificant difference in respondents' answers toward Institutional performance of PalTel to Experience.

After testing the research hypothesis about the difference in respondents' answers about existence of LO dimensions attributed to the "Gender" in PalTel, the following results could be stated:

- 1- There is insignificant difference in respondents' answers toward Learning Organization dimensions due to Gender.
- 2- There is insignificant difference in respondents' answers toward Institutional Performance of PalTel due to Gender.

After testing the research hypothesis about the difference in respondents' answers about existence of LO dimensions attributed to the "Department" in PalTel, the following results could be stated:

- 1- There is significant difference in respondents' answers toward Learning Organization dimensions due to Department.
- 2- There is insignificant difference in respondents' answers toward Institutional Performance of PalTel due to Department.

After testing the research hypothesis about the difference in respondents' answers about existence of LO dimensions attributed to the "Qualification" in PalTel, the following results could be stated:

- 1- There is significant difference in respondents' answers toward Learning Organization dimensions due to Qualification among the investigated members who have Bachelor degree in favor of other members.

- 2- There is significant difference in respondents' answers toward Institutional Performance of PalTel to Qualification among the investigated members who have Bachelor degree in favor of other members.

5.2 Recommendation:

According to the conclusion of the study the following recommendations are offered:

- 1- PalTel has to conduct certain training programs for its employees to explain the importance of LO dimensions in developing institutional performance especially to employee with short experience.
- 2- As learning organizations hold a significant competitive advantage, LO dimensions are strongly recommended as a basic technique to enhance institutional performance.
- 3- Treating people in equity should be concerned by PalTel administrators.
- 4- PalTel has to increase learning culture by encouraging its people to learn and gain knowledge.
- 5- Supporting learning innovation by rewarding its people for learning and gaining knowledge.
- 6- Finally, applying the EFQM model for excellence business as basic performance assessment tool.

5.3 Suggested further studies

There are some suggested researches:

- 1- The role of leaders in applying learning organization concept.
- 2- Basic steps to convert Palestinian ministries into learning organizations.
- 3- The impact of learning culture on Palestinian ministries performance.
- 4- Applying Deming prize framework for excellence business on Palestinian organizations.

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Appendix 1 Questionnaire in Arabic

بسم الله الرحمن الرحيم

عزيزي الموظف

السلام عليكم ورحمة الله وبركاته...

تقوم الباحثة بإعداد دراسة للحصول على درجة الماجستير في إدارة الأعمال، بعنوان

”أثر تطبيق مفهوم المنظمة المتعلمة على الأداء المؤسسي لدى شركة الاتصالات الفلسطينية“

وتهدف هذه الدراسة إلى تقييم إمكانيات شركة الاتصالات الفلسطينية ذات الصلة بمفهوم المنظمة المتعلمة، واقتراح أساليب تطبيق نموذج المنظمة المتعلمة في شركة الاتصالات الفلسطينية.

يرجى أن تجيب على الأسئلة بأمانة وموضوعية، بحيث تعكس قدر الإمكان خبرتك ومعرفتك بشركة الاتصالات الفلسطينية، علماً بأن جميع الإجابات والبيانات التي سيتم جمعها لن تستخدم إلا لأغراض البحث العلمي.

شكراً على مشاركتك وسعة صدرك...

الباحثة: ميساء حسن أبو غلوه

وقبل البدء بالإجابة على بنود الاستبيان يرجى تعبئة البيانات التالية بوضع إشارة √ في المربع المناسب.

1. سنوات الخدمة في شركة الاتصالات الفلسطينية.

من 1- 5 سنوات من 5-10 سنوات أكثر من 10 سنوات

2. المسمى الوظيفي:

3. الجنس: ذكر أنثى

4. المؤهل العلمي: دكتوراه ماجستير بكالوريوس دبلوم ثانوية

المجال الأول: المنظمة المتعلمة

الدرجة	الرقم	فقرات الاستبانة
10-1		
		البعد الأول: إيجاد فرص التعلم المستمر
	-1	يناقش الموظفون الأخطاء بهدف التعلم والاستفادة منها.
	-2	يحدد الموظفون المهارات التي يحتاجونها لإنجاز المهام في المستقبل
	-3	يساعد الموظفون بعضهم على التعلم.
	-4	يستطيع الموظفون الحصول على الأموال والموارد الأخرى لدعم تعلمهم.
	-5	يمنح الموظفون وقتاً للتعلم.
	-6	يتعامل الموظفون مع المشكلات التي تواجههم باعتبارها فرصاً للتعلم.
	-7	يكافأ الموظفون لتعلمهم أشياء جديدة
		البعد الثاني: تشجيع الاستفسار والحوار
	-1	يتبادل الموظفون المعلومات فيما بينهم بصراحة وشفافية
	-2	يشجع الموظفون على إثارة أسئلة (لماذا) بغض النظر عن موقعهم الوظيفي
	-3	يذكر الموظفون وجهات نظرهم، ويستفسرون أيضاً عن وجهات نظر الآخرين.
	-4	يقضي الموظفون وقتاً في بناء الثقة مع الآخرين.
		البعد الثالث: تشجيع التعاون والتعلم الجماعي
	-1	تمتلك فرق العمل الحرية لتكييف أهدافها وفقاً لتطور أهداف الشركة.
	-2	تتعامل الإدارة مع أعضاء الفريق بالتساوي بغض النظر عن وظائفهم وثقافتهم، أو أي اختلافات أخرى.
	-3	يراجع أعضاء فريق العمل أفكارهم بناء على نتائج المناقشات والمعلومات المجمعة.
	-4	تكافأ فرق العمل على إنجازاتها.
	-5	تثق فرق العمل في أن الشركة ستأخذ بتوصياتها.
		البعد الرابع: إنشاء أنظمة لمشاركة المعرفة والتعلم.
	-1	تستخدم الاتصالات المتبادلة بشكل اعتيادي، مثل: نظم الاقتراحات، لوحات الإعلانات الإلكترونية، والاجتماعيات المفتوحة.
	-2	تمكن شركة الاتصالات الفلسطينية الموظفين لديها وتسهل لهم الحصول

	على المعلومات المطلوبة بسرعة وسهولة, وفي أي وقت.
-3	تطور شركة الاتصالات الفلسطينية الأنظمة لقياس الفجوة بين الأداء الحالي لموظفيها والأداء المتوقع.
-4	تتيح شركة الاتصالات الفلسطينية الدروس المستفادة من تجاربها لجميع موظفيها.
البعد الخامس: تمكين الموظفين بجمعهم نحو رؤية مشتركة.	
-1	تدعو شركة الاتصالات الفلسطينية موظفيها للمساهمة في إثراء رؤيتها الاستراتيجية.
-2	توفر شركة الاتصالات الفلسطينية لموظفيها التحكم بالموارد التي يحتاجون إليها في إنجاز أعمالهم.
-3	تدعم شركة الاتصالات الفلسطينية موظفيها ذوي المبادرات البناءة والذين يحسبون مخاطرها.
-4	تبني شركة الاتصالات الفلسطينية رؤى موحدة عبر المستويات الإدارية المختلفة ومجموعات العمل لديها.
البعد السادس: ربط المنظمة المتعلمة بالبيئة الخارجية.	
-1	تشجع شركة الاتصالات الفلسطينية موظفيها على التفكير في عملهم من منظور عالمي.
-2	تشجع شركة الاتصالات الفلسطينية جميع موظفيها على أخذ وجهة نظر العملاء بالاعتبار في قراراتهم المختلفة.
-3	تتعاون شركة الاتصالات الفلسطينية حصول موظفيها على المعلومات من الإدارات المختلفة لحل مشاكلهم التي تواجههم في العمل.
البعد السابع: القيادة الإستراتيجية الداعمة للتعلم.	
-1	يدعم المسؤولون في شركة الاتصالات الفلسطينية طلبات موظفيها بخصوص فرص التعلم والتدريب.
-2	يدعم المسؤولون في شركة الاتصالات الفلسطينية موظفيها من أجل تبني رؤية الشركة وتنفيذ خططها.
-3	يقوم المسؤولون بالبحث عن فرص التعلم بشكل مستمر.
-4	يحرص المسؤولون في شركة الاتصالات الفلسطينية على تطابق أفعالهم مع قيم الشركة.

المجال الثاني: الأداء المؤسسي

الدرجة	فقرات الاستبانة	الرقم
10-1		
المعيار الأول: القيادة		
	يقوم المسؤول بتحديد وتوضيح أهداف الشركة للمرؤوسين.	1-
	يجعل المسؤول من نفسه مثلاً للسلوك والخلق الرفيع الذي من شأنه دعم أداء الشركة.	2-
	يشارك المسؤول وبفعالية في تطوير ومراجعة وتحسين النظام الإداري للشركة.	3-
	يقوم المسؤول باستمرار بتأكيد الأولويات الإدارية لعمل الشركة.	4-
	يحرص المسؤول على التعرف والاستجابة لمتطلبات ذوي العلاقة والمستفيدين.	5-
	يقوم المسؤول بتسجيع وتحفيز الموظفين على تحقيق أهداف وغايات الشركة وتطوير أنشطتها.	6-
المعيار الثاني: الاستراتيجية.		
	لدى شركة الاتصالات الفلسطينية رؤية ورسالة واضحتين.	1-
	الرؤية والرسالة تتماشى مع أهداف الشركة.	2-
	تمتلك شركة الاتصالات الفلسطينية نظاماً ناجحاً لجمع وتحليل المعلومات عن البيئة الداخلية والخارجية.	3-
	تقوم شركة الاتصالات الفلسطينية بتحديد نقاط القوة والضعف وكذلك تحديد الفرص والمخاطر التي تواجهها.	4-
	تتسجم استراتيجيات وبرامج شركة الاتصالات الفلسطينية مع مخرجات تحليل البيئة الداخلية والخارجية.	5-
	تقوم شركة الاتصالات الفلسطينية بإشراك العاملين في إعداد استراتيجيات وبرامج الشركة.	6-
	تستخدم شركة الاتصالات الفلسطينية مؤشرات الأداء للتأكد من أنها في اتجاه تحقيق أهدافها.	7-
	تقيم شركة الاتصالات الفلسطينية كفاءة وفعالية استراتيجيات وبشكل دوري.	8-
المعيار الثالث: الأفراد.		
	تتأكد شركة الاتصالات الفلسطينية أن خطتها فيما يتعلق بالموارد البشرية	1-

	تتواءم مع استراتيجية الشركة.	
2-	تسعى شركة الاتصالات الفلسطينية لتطبيق سياسة رشيدة لتوفير مصادرها البشرية باستخدام الخطط التطويرية واعتماد تكافؤ فرص التوظيف والتقييم .	
3-	تهتم شركة الاتصالات الفلسطينية بالتغذية الراجعة من موظفيها للتأكد من قدرة الشركة على تحقيق أهدافها.	
4-	تحدد شركة الاتصالات الفلسطينية المهارات المطلوبة لموظفيها لتحقيق أهداف الشركة وتعمل على تطويرها.	
5-	تفسح شركة الاتصالات الفلسطينية المجال أمام موظفيها لتحقيق طموحاتهم وتشجعهم على ذلك.	
6-	توفر شركة الاتصالات الفلسطينية الفرص التي تمكن موظفيها من المشاركة في خطط تطوير الشركة.	
7-	تقيم شركة الاتصالات الفلسطينية موظفيها وتساعدهم في تطوير أدائهم.	
8-	تطبق شركة الاتصالات الفلسطينية السياسات التي تضمن تقدير موظفيها وتحفيزهم.	
المعيار الرابع: المشاركة والمصادر.		
1-	تقوم شركة الاتصالات الفلسطينية بالتعرف على المزودين والداعمين ومقدمي الخدمات وتبني علاقات متينة معهم.	
2-	تتأكد شركة الاتصالات الفلسطينية من أن المزودين والداعمين ومقدمي الخدمات يقومون بدورهم في الإضافة النوعية للخدمة المقدمة.	
3-	السياسات المالية المهمة لشركة الاتصالات الفلسطينية مفهومة والشركة قادرة على تطبيقها بفعالية دون التزامات مالية إضافية.	
4-	تقوم شركة الاتصالات الفلسطينية بإدارة واستخدام وسائل التكنولوجيا بشكل فعال.	
5-	توجد إدارة سليمة للمعارف والمعلومات يتمكن موظفو الشركة من الوصول إليها واستخدامها للقيام بأعمالهم بشكل فعال.	
المعيار الخامس: الإجراءات.		
1-	تحرص شركة الاتصالات الفلسطينية على وضوح عملياتها الرئيسية لجميع موظفيها بحيث يقوم كل فرد بدوره في أداء المهام المكلف بها.	
2-	تستفيد شركة الاتصالات الفلسطينية من التغذية الراجعة من المستفيدين من	

	الخدمة في تطوير وتقييم عمليات جديدة لتقديم خدمات للجميع.
3-	تقوم شركة الاتصالات الفلسطينية بإعلام موظفيها عند أي تغيير يحدث في سياسات الشركة.
4-	يتم تدريب الموظفين على تطبيق الأنظمة والمهام الجديدة.
5-	تواصل شركة الاتصالات الفلسطينية تقديم وتحسين خدماتها باستمرار.
المعيار السادس: النتائج للزبون	
1-	توجد إجراءات لقياس رضا الزبائن للتأكد من مستوى رضاهم.
2-	العوامل المؤثرة على رضا الزبائن مفهومة وتتوفر مؤشرات داخلية للتأكد من تحقق ذلك.
3-	هناك مؤشرات للأداء الإيجابي لرصد الأخطاء التي قد تقع بها الشركة.
4-	ترصد الشكاوي ويتم توثيقها.
5-	تضع شركة الاتصالات الفلسطينية أهدافاً لتحقيق رضا الزبائن وتتأكد من نجاحها.
6-	هناك مؤشرات داخلية لقياس فترة حياة الخدمة المقدمة للزبون.
المعيار السابع: نتائج الأداء الرئيسية.	
1-	هناك مؤشرات لمراقبة الوضع الحالي للشركة وضمان تحسينه.
2-	هناك مؤشرات لمراقبة ترشيد استهلاك المواد وضمان طرق سليمة للتخلص من التالف منها.
3-	هناك مؤشرات تضمن حسن أداء المزود والداعم ومقدم الخدمة.
4-	هناك مؤشرات لمراقبة الإنتاجية بشكل إيجابي.
5-	هناك مؤشرات إيجابية على كون الدورة الزمنية لتقديم الخدمة تسير بشكل مناسب.
6-	هناك مؤشرات إيجابية على أن المعرفة متاحة للجميع وتستخدم بشكل بناء.

Appendix 2

Questionnaire in English

Dear employee:

This study aims to assess PalTel institutional performance according to Learning Organization dimension and suggest useful recommendations to develop learning capabilities of PalTel.

Please reflect carefully and answer all questions as honestly as possible based upon your knowledge of PalTel.

Please answer All of the questions.

Thank you for taking the time to fill out this questionnaire.

Thank you for your participant and patience.

The researcher: Maysa Abu Ghalwa

1- Experience in PalTel:

- 1-5 years.
- 5-10 years
- Greater than 10 years

2- Specialization:

3- Gender:

- Male
- Female

4- Educational degree:

- BA.
- MA.
- PhD.
- Secondary school.

Instructions:

Please respond by putting the number that most closely corresponds to how you feel about each statement. Number 10 means that you agree strongly, while number 0 means absolute disagreement.

First field: Learning Organization

No.	Item and factor Description	(1-10)
First dimension: Finding continuous learning opportunities		
1-	In my organization, people openly discuss mistakes in order to learn from them.	
2-	In my organization, people identify skills they need for future work tasks.	
3-	In my organization, people help each other learn.	
4-	In my organization, people can get money and other resources to support their learning.	
5-	In my organization, people are given time to support learning.	
6-	In my organization, people view problems in their work as an opportunity to learn.	
7-	In my organization, people are rewarded for learning.	
Second dimension: Encouraging enquiry and conversation		
1-	In my organization, people give open and honest feedback to each other.	
2-	In my organization, people are encouraged to ask "why" regardless of rank.	
3-	In my organization, whenever people state their view, they also ask what others think.	
4-	In my organization, people treat each other with respect.	
Third dimension: Encouraging cooperation and team learning		
1-	In my organization, teams/groups have the freedom to adapt their goals as needed.	
2-	In my organization, teams/groups treat members as equals, regardless of rank, culture, or other differences...	
3-	In my organization, teams/groups revise their thinking as a result of group discussions or information collected.	
4-	In my organization, teams/groups are rewarded for their achievements as a team/group.	
5-	In my organization, teams/ groups are confident that the organization will act on their recommendations.	
Fourth dimension: Create knowledge and sharing systems		
1-	My organization uses two-way communication on a regular basis, such as suggestion systems, electronic bulletin boards, or town hall/open meetings.	
2-	My organization enables people to get needed information at any time quickly and easily.	
3.	My organization creates systems to measure gaps between current and expected performance.	
4.	My organization makes its lessons learned available to employees.	
Fifth dimension: Empower people by shared vision		
1-	My organization invites people to contribute to the organizations vision	
2-	My organization gives people control over the resources they need to accomplish their work.	
3-	My organization supports employees who take calculated risks.	
4-	My organization builds alignment of visions a cross different levels and work groups.	
Sixth dimension: Connect learning organization with external environment		
1-	My organization encourages people to think from a global perspective.	
2-	My organization encourages everyone to bring the customers' views into	

	the decision making process.	
3-	My organization works together with the outside community to meet mutual needs.	
4-	My organization encourages people to get answers from across the organization when solving problems.	
Seventh Dimension: Strategic leadership support learning		
1-	In my organization, leaders generally support requests for learning opportunities and training.	
2-	In my organization, leaders empower other to help carry out the organization's vision.	
3-	In my organization, leaders continually look for opportunities to learn.	
4-	In my organization, leaders ensure that the organization's actions are consistent with its values.	

Second field: Institutional performance

First standard: Leadership		
1-	Leaders determine and clear organizations goals.	
2-	Leaders display ethical behavior.	
3-	Leaders involve in improving management systems	
4-	Leaders' commitment to organizations goals	
5-	Leaders' relationship with customers. Leaders' relationship with suppliers.	
6-	Leaders' empowerment of employees.	
Second standard: Strategy		
1-	Consideration of political, economic, social and legislative factors.	
2-	Vision and Mission in line with the objectives of the company.	
3-	Collation and analysis of quantitative data.	
4-	Consideration of the organization's strengths and weaknesses.	
5-	Consideration of political, economic, social and legislative factors.	
6-	Communication of strategy to employees and key stakeholders.	
7-	Consideration of the organization's strengths and weaknesses.	
8-	Inclusion of principles of quality and continuous improvement.	
Third Standard: People		
1-	Alignment of HR plans and policies with organization strategy.	
2-	Succession planning and career development opportunities.	
3-	Collection of employee feedback on expectations and needs.	
4-	Assessment of skills and capability development needs.	
5-	Enabling employees to realize their full potential.	
6-	Sharing of vision and mission with employees.	
7-	Design of jobs and work teams for innovation and improvement .	
8-	Compensation, recognition and reward of employees.	
Fourth Standard: Partnership and Resources		
1-	Identifying and managing supplier relationships.	
2-	Identifying and developing (non-supplier) partnership opportunities.	
3-	Alignment of financial strategy and policies with organization Strategy.	
4-	Mechanisms for obtaining, sharing, and using information (including e-commerce and intranet).	
5-	Data accuracy, utility, security and availability to people who need it,	
Fifth Standard: Processes		
1-	Identification and definition (detailing) of key processes.	
2-	Mechanisms for acquiring customer feedback	
3-	Communicating changes to stakeholders, and reviewing impact of changes.	
4-	Assignment of responsibility for managing processes.	
5-	Continuous improvement of process performance.	
Sixth standard: Customer Results		
1-	Appropriate of targets for customer satisfaction/performance.	
2-	Factors affecting customer satisfaction understandable and available built-in indicators to make sure to check that.	
3-	Acquisition of data for the measurement of customer experiences and	

	needs.	
4-	Cause and effect analysis to explain customer results.	
5-	Comparison of customer perceptions with other units and organizations (best in class?)	
6-	Use of internal performance indicators to measure performance against customer targets.	
Seventh Standard: Key Performance Results		
1-	Acquisition of data for the measurement of key business performance results.	
2-	Appropriate of targets for key performance results.	
3-	Cause and effect analysis to explain key driver results.	
4-	Improving trends and levels of key performance results.	
5-	Improving trends and levels of key performance drivers against targets.	
6-	Cause and effect analysis to explain key performance results.	

Appendix 3

The names of referees who judge the validity of the Questionnaire.

No:	Name	Title
1-	Dr.Sami Abu Al Ross	Department of Business Administration – Islamic university – Gaza
2-	Dr. yousef Bahar	Department of Business Administration – Islamic university – Gaza
3-	Dr. yousef Ashour	Department of Business Administration – Islamic university – Gaza
4-	Dr. Wesam Al Habel	Department of Business Administration – Islamic university – Gaza
5-	Dr. Akram Samour	Department of Business Administration – Islamic university – Gaza
6-	Dr. Samir Safi	Department of Business Administration – Islamic university – Gaza
7-	Dr. Nehaya El Telbany	Department of Business Administration – Al Azhar University – Gaza