

## **The relationship among organizational learning, internal service quality and performance in Iran's selective sport federations**

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### **ABSTRACT**

*The purpose of this study was the relationship among organizational learning, internal service quality and performance in Iran' selective sport federations to review. The population of the study consisted of all staff of the swimming, basketball, handball, judo, athletics and gymnastics federations (N=73) that they all participated in the study. For this purpose, Yang, et Al's (2004) Organizational Learning questionnaire, Di Xie's (2005) Internal Service Quality Questionnaire and Cho's Organizational Performance questionnaire (2009) was used. The findings showed that between organizational learning and internal service quality, there is significant positive correlation. Also the findings showed that there is significant positive correlation between organizational learning and organizational performance. The other part of the results showed that there is significant positive correlation between internal service quality and organizational performance. Research findings on the importance of learning and service quality as the factors affecting performance of sports federations are insists. Therefore recommended that managers and human resource department of the sport federations to create a learning culture and support that in this organizations work.*

**Keywords:** Organizational Learning, Internal Service Quality, Organizational Performance, Sport Federations.

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### **INTRODUCTION**

Twenty-first centuries is called *fast changing world*. The name is ascribed to the era because of globalization effects, technologic developments, and the role of modern science in human life and demographic characteristics of different nations [1]. Under such circumstances, organizations struggle for survival to maintain themselves in a turbulent environment. In this regards, a crucial key to organizational achievement and employee efficiency is to institutionalize organizational learning culture. Knowledge, competency and new skills are essential to guarantee organizational success in future. Sustainable learning and development are keys to future achievements [2].

Cyret and March (1963) first introduced the concept of organizational learning (OL) in their *A Behavioral Theory of the Firm*. They contend that organizational struggle to respond to external changes and adaptation of their goals to new circumstances would result in approaches that bring about higher organizational efficiency [3]. In the early 1990s, organizational leaders and managers started to pay considerable attention organizational learning and learning organizations. Learning organizations tend to recreate, rediscover and revitalize themselves continually [4]. Organizational learning may be defined as a dynamic process of creation, acquisition and collection of knowledge so as to develop resources and capacities, which results in more efficient organizational performance. Jones (2001) defines organizational learning as the ability of an organization as a whole to discover and correct mistakes as well

as increasing employee competency through modification of organizational knowledge and values so that organizational efficiency will develop continually. Based on this definition, the characteristics of organizational learning process include changed mindset of employees, changed knowledge and values as well as improved organizational performance [5]. Organizational learning entails different levels such as individual, team and organizational levels [6]. Considering the levels of learning, *Jones* (2001) contends that while learning occurs at three levels, the first step in learning is to bring about favorable changes in the employee mindset; therefore, special attention should be paid to learning at the individual level [5].

On the other hand, organizations may also concentrate on increased service quality to gain competitive advantage [6]. Nowadays, service quality is considered as a common concept in business literature and plays a significant role in customer satisfaction, maintenance and loyalty as well as organizational revenue. Besides, there is a link between these factors and service-profit-revenue chain [7]. Research has confirmed the strategic advantages of quality in market share and return of capital as well as decreased cost of production and improved efficiency [6-8-9]. However, it seems necessary to build a sound understanding of service quality before any discussion of service quality. Quality is customer satisfaction or enjoyment, conformity with standard and speeding up in fulfilling customer expectations [9-10]. *Lewis and Booms* (1983) define service quality as the extent to which the quality offered to customers corresponds to customer expectations sustainably [11]. According to *Heskett and et al's* model (1994), the service-benefit chain links organization's internal service quality, employee satisfaction and loyalty to customer satisfaction and loyalty as well as organizational growth and benefits [12]. Internal service quality is the perceived level of satisfaction an employee experiences with services offered by internal service providers. Besides, internal service quality refers to employees' perception of the quality of service they receive from or offer their colleagues [13]. *Barnes and Morris* (2000) contend that, in addition to concentrating on external markets and customers, organizations need to focus on themselves as the internal market and their employees as the internal customers. In this regard, attention to intra-organizational service quality may result in both internal and external customer satisfaction, which might guarantee organizational success [14]. Internal service is the most essential element helping to achieve high-quality external service; thus, it seems necessary to be reviewed in most sports environments.

Certainly, implementation of organizational learning culture can play a crucial role in internal service quality and organizational performance [15]. *Amirtash and et Al* (2012) reported a significant positive correlation between organizational learning culture and internal service quality in the ministry of sport and youth in Iran [16]. *Ming* (2010) reported a significant correlation among organizational learning culture, internal service quality and organizational performance in Chinese service organizations [15]. *Di Xie* (2005) conducted a study in China Sports Organization and showed a significant positive correlation between organizational learning culture and internal service quality so that the former accounted for 5 per cent of variance of the latter [17]. *Bontis and et Al* (2002) contend that there is a positive correlation between the levels of learning and organizational performance such as increased income [18]. *Egan and et al* (2004) reported a positive correlation between organizational learning culture and nonfinancial variables such as motives for learning transmission [19]. *Cho* (2009) conducted an empirical study on South Korean companies and found a positive correlation between the levels of learning and financial and knowledge performance [20].

*Yue Xia* (2009) reported that internal service quality and internal customer satisfaction contribute to external customer satisfaction, which eventually influences organizational growth and profitability [21]. *Qin Nan* (2009) conducted a study in Taiwanese insurance companies and found a significant positive correlation between different levels of internal service quality, employee job satisfaction and organizational performance [22]. *Liang Wang* (2010) conducted a study on Taiwan's hotel industry and reported that internal service quality significantly influenced organizational performance. The results also showed a significant difference in perceived internal service quality in these hotels between male and female employees [23].

As with other organizations, sports organizations follow unified principles in all divisions and aim to offer quality services to their customers and gain best performance. In this regard, such factors as organizational learning may influence the quality of employee internal services, and, consequently, affect external service quality and organizational performance. Sport federations are one of the main institution to manage sports activities in the country and has established a broad relationship with both sports and non-sports organizations, both national and foreign. According to their responsibilities about sports, these offices require continuous learning at all work levels and quality services offered to both internal and external customers. Iranian sport organizations have paid insufficient attention to the science of management and its scientific achievements. There is scarcity of research on the relationship between organizational learning culture and other variables such as internal service quality and organizational performance. The present study may offer the opportunity to both HR management and employees to build an understanding of organizational learning and internal service quality. The present study aims to investigate

the relationship among organizational learning culture, internal service quality and organizational performance as perceived by the staff working with selective sport federations in Iran.

## MATERIALS AND METHODS

**Method:** The purpose of current study is applied and its method is correlated descriptive, which is conducted as a field study.

**Statistical Population and Sampling:** The population of the study consisted of all staff of the swimming, basketball, handball, judo, athletics and gymnastics federations (N=73). The sample size was considered equal to the population.

**Instrument:** The data was collected using Learning Organization Questionnaire developed by Yang and et Al (2004), Internal Service Quality Questionnaire developed by Di Xie (2005) and Organizational Performance Questionnaire developed by Cho (2009). The content validity of the questionnaires was approved by ten professors of sports management. To calculate the reliability of the questionnaires, a pilot study was conducted whereby a number of 30 questionnaires were distributed among employees. The results showed a reliability coefficient of  $\alpha=0.89$  for Learning Organization Questionnaire,  $\alpha=0.92$  for Internal Service Quality Questionnaire and  $\alpha=0.86$  for Organizational Performance Questionnaire, which indicated the consistency of measurement. A demographic data sheet was used to collect the data on personal information including age, level of education and work experience.

**Data Analyses:** SPSS software was used to analyze the data. As to the statistical measures, descriptive statistics including frequency, percentage, mean, standard deviation and tabulations were used to describe the data. Inferential statistics including Pearson correlation formula was used to test the hypotheses.

## RESULTS

The results showed that the participants were 38 years old on average. 75.9 per cent of the participants had B.S or higher degrees and 86.1 per cent had more than 5 years of work experience.

**Table1. Description of organizational learning, internal service quality and organizational performance based on employees' opinions**

Variables	Statistic	Mean	Std. Deviation	Minimum	Maximum
Learning at the individual level		4.06	0.542	1.00	5.00
Learning at the team level		3.70	0.636	1.00	4.82
Learning at the organizational level		4.56	0.522	2.00	5.00
Total organizational Learning		4.12	0.532	1.00	5.00
Internal service quality at the individual levels		3.45	0.765	1.16	4.68
Internal service quality at the division levels		4.36	0.634	2.18	5.00
Internal service quality at the organizational levels		4.68	0.584	1.00	4.76
Total internal service quality		4.28	0.648	1.00	5.00
Organizational Performance		4.04	0.364	1.00	5.00

As shown in Table 1, the mean of learning scores were 4.06 at the individual, 3.70 at the team and 4.56 at the organizational levels. Maximum organizational learning score was found to be 4.12 out of 5, which indicates that the learning medium is higher than average in employees working with selective federations. Also mean of internal service quality scores were 3.45 at the individual level, 4.36 at the division levels and 4.68 at the organizational levels. Maximum internal service quality score was found to be 4.28 out of 5. As shown in Table 2, the mean score of organizational performance was 4.04 out of 5.

**Table2. Relationship between organizational learning and its subscales with internal service quality**

Variables	Internal Service Quality			
	N	r	P	r <sup>2</sup>
Learning at the individual level	73	0.648	0.001	0.42
Learning at the team level	73	0.326	0.001	0.11
Learning at the organizational level	73	0.566	0.001	0.32
Total organizational Learning	73	0.547	0.001	0.30

Table3. Relationship between organizational learning and its subscales with organizational performance

Variables	Organizational Performance			
	N	r	P	r <sup>2</sup>
Learning at the individual level	73	0.386	0.001	0.15
Learning at the team level	73	0.424	0.001	0.18
Learning at the organizational level	73	0.567	0.001	0.32
Total organizational Learning	73	0.476	0.001	0.23

Table4. Relationship between internal service quality and its subscales with organizational performance

Variables	Organizational Performance			
	N	r	P	r <sup>2</sup>
Internal service quality at the individual levels	73	0.756	0.001	0.57
Internal service quality at the division levels	73	0.651	0.001	0.42
Internal service quality at the organizational levels	73	0.486	0.001	0.24
Total internal service quality	73	0.587	0.001	0.34

Pearson correlation formula was run to examine the relationship among organizational learning, internal service quality and performance in Iran' selective federation. Regarding the results in table 2, there is a positive and significant relationship between organizational learning and internal service quality ( $r=0.547$ ,  $P\leq 0.001$ ). Also, the results of correlation coefficient shows that there is a positive and significant relationship between organizational learning and organizational performance from the employee's perspective ( $r=0.476$ ,  $P\leq 0.001$ ) [Table. 3]. In addition, there is a positive and significant relationship between internal service quality and organizational performance from the employee's perspective ( $r=0.587$ ,  $P\leq 0.001$ ) [table. 4].

## DISCUSSION AND CONCLUSION

The results showed a significant correlation between organizational learning culture and internal service quality. This is consistent with the findings of *Amirtash and et Al* (2012), *Ming* (2010) and *Di Xie* (2005) [16, 15, 17]. Rapid changes in organizational environments, particularly sports organizations, require the management and employees with good learning ability. Learning is a process that begins from the employees, expands between work teams and eventually covers the whole organization. A good learning environment can encourage the employees to learn and stay in the organization for long periods [16]. Thus, a learning culture, consistent with organizational characteristics, not only helps the employees receive high levels of internal service but also keeps them as good employees in the organization. Besides, organizational learning culture is associated with other fiscal and non-fiscal outcomes both in and out of the organization. Thus, an efficient learning program should be able to satisfy employee needs adequately. Since the learning culture begins with employees and proceeds to cover all organizational processes, it may exert a positive influence on internal service quality as well. The basis of high-quality services in the organization is competent employees who wish to learn. Quality service offered by the efficient employee may increase their satisfaction and encourage them to stay in the organization longer.

The results showed a significant correlation between organizational learning culture and organizational performance. This is consistent with the findings of *Bontis and et Al* (2002) and *Cho* (2009) [18, 20]. Learning is a process that brings about changes in performance through acquisition of knowledge and experience as well as training. Learning at the individual level entails changes in skills, attitudes, knowledge and values of individual employees. However, creativity, knowledge and changes in employee skills do not suffice to consider an organization as a learning organization; rather the organization needs to draw on this knowledge and changes in its performance. A key step to the realization of such performance is the elimination of old mindsets and beliefs by the management. *Ming* (2010) refers to the false conceptions held by management and employees as a significant barrier to building learning organizations. While old mindsets might have been useful in the past, they may become a barrier to current learning. An important method to eliminate these mindsets is to raise awareness towards organizational learning and its importance for the directors and employees. Management should emphasize learning as a strategic process because setting a learning strategy, particularly at the individual level, is an important tool to achieving long-term results. Therefore, the authorities in the sport federation should seek to eliminate barriers to learning, describe learning and its advantages, create learning opportunities for individual employees, support creative employees and provide suitable contexts for acquiring knowledge. In this regard, the researcher recommends seminars and training programs, journal articles and books, self-learning techniques, peer learning, formal and informal workplace training.

The results revealed a significant correlation between internal service quality and organizational performance. This is consistent with the findings of *Yue Xia* (2009), *Qin Nan* (2009) and *Liang Wang* (2010) [21, 22, 23]. Researchers consider internal service quality as one of the most important aspects of service quality strategies that reduce costs

and increase profits in the long run. Providing good-quality service for the employees considerably affects the interaction between the employees and external customers. Internal customers constitute a cycle that can influence the external customers' satisfaction and contribute to organizational success. Internal service quality, which affects the factors contributing to the service quality offered to external customers, depends on the supports provided by organizational directors, particularly HR managers. Considering the role of sports in both physical and mental development of individuals and in economic development as an industry, it seems necessary to develop service quality in sports organizations. Therefore, directors and HR managers at the sport federations are recommended to improve internal service quality through developing strategic plans consistent with their organizational activities.

In short, the following suggestions are offered to improve the functioning of sports federations:

- Organizational learning at all levels of the sports federation must be developed.
- Identify and remove barriers to learning in sports federations.
- Quality of services provided within the sports federations such as the quality of services provided to external customers should be evaluated.

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