

**Exploring the Relationship between Organizational Learning Capability,  
Trust, and Politics: An Empirical Study**

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## DEDICATION

I would like to dedicate this thesis to my entire family, who has strongly influenced me for the better over the past 16 months.

I would also like to dedicate this thesis to my loving grandparents, Nina and Eugenio Spina. Over the past few years, their perseverance has been my most reliable source of motivation, inspiration, and determination.

Finally, I would like to dedicate this thesis to Dr. Swee C. Goh and anyone else who is as curious about the fascinating world of commerce and organizational behaviour as I am.

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## TABLE OF CONTENTS

LIST OF TABLES .....	viii
LIST OF FIGURES.....	ix
ABSTRACT .....	x
SUMMARY OF FINDINGS .....	xi
1. Statement of the Problem.....	1
2. Literature Review .....	3
The Learning Organization.....	4
Conceptualization of the learning organization. ....	5
Organizational learning capability.....	8
Outcomes of the learning organization.....	16
Organizational Trust.....	19
A definition of organizational trust. ....	20
Factors influencing the development of organizational trust.....	22
Power and Politics in Organizations .....	27
Conceptualization of organizational politics. ....	28
The influence of power and politics on organizations.....	32
An Integrated Conceptual Framework .....	35
Trust, clear vision and mission, and politics. ....	38
Trust, leadership commitment and empowerment, and politics. ....	39

Trust, a culture of experimentation and rewards, and politics. ....	40
Trust, effective transfer of knowledge, and politics. ....	41
Trust, teamwork and group problem solving, and politics. ....	41
Summary of the Relationship between Trust, the Learning Organization, and Politics.....	42
3. Research Questions and Hypotheses .....	44
Hypotheses.....	45
4. Methodology .....	46
Sample .....	46
Data Collection and Measures .....	48
Organizational Trust. ....	50
Organizational Politics.....	53
Organizational Learning Capability. ....	53
Affective Organizational Commitment (AOC).....	54
Turnover Intentions (TI). ....	54
Subsequent Organizational Trust (SOT).....	54
5. Results.....	55
Analysis of Data.....	55
Multiple regression analysis. ....	55
Mediation Testing.....	60

Hypothesis 1: Test of organizational trust as an antecedent to organizational learning capability.....	63
Hypothesis 2a: Test of mediation for the relationship between organizational trust, learning capability, and affective organizational commitment. ....	65
Hypotheses 2b: Test of mediation for the relationship between organizational trust, learning capability, and turnover intentions.....	68
Hypothesis 3: HRMA test for the moderating effect of organizational politics on the relationship between organizational trust and organizational learning capability. ...	71
Hypothesis 4: Test of mediation for the relationship between organizational learning capability, subsequent organizational trust, and organizational trust. ....	72
6. Discussion.....	76
Hypothesis 3b: Test of mediation for the relationship between organizational politics, organizational learning capability, and organizational trust.....	80
7. Study Limitations .....	85
8. Future Research.....	87
9. Conclusions and Contributions .....	89
References .....	92
Appendix A- Thesis Study Survey.....	108
Appendix B- Summary of HRMA.....	112
Appendix C- Information and Recruitment Package.....	114

Appendix D- Letter of Invitation for Participation ..... 116

Appendix E- Consent Form for Survey Participation ..... 117

## LIST OF TABLES

<b>Table 1-</b> Summary of a Learning Organization’s Foundations and Learning Capabilities...	15
<b>Table 2-</b> Participants by Sector.....	46
<b>Table 3-</b> Sample Characteristics.....	47
<b>Table 4-</b> Summary of the Variables Measured in the Study.....	48
<b>Table 5-</b> Reliability Statistics for Organizational Trust.....	50
<b>Table 6-</b> Item Statistics for Organizational Trust.....	51
<b>Table 7-</b> Inter-Item Correlation Matrix for Organizational Trust Items.....	52
<b>Table 8-</b> Organizational Trust Item-Total Statistics.....	52
<b>Table 9-</b> Descriptive Statistics of Study Variables.....	56
<b>Table 10-</b> Correlations among Variables in the Study.....	57

## LIST OF FIGURES

<b>Figure 1-</b> An Integrative Conceptual Framework of the Relationships between the Study Variables.....	36
<b>Figure 2-</b> The Basic Functioning of a Mediating Relationship between Three Variables....	61
<b>Figure 3-</b> Organizational Trust is an Antecedent to Organizational Learning Capability (Support for H1).....	65
<b>Figure 4-</b> Organizational Learning Capability Mediates the Relationship between Organizational Trust and Affective Organizational Commitment (Support for H2a). .....	68
<b>Figure 5-</b> Organizational Learning Capability Mediates the Relationship between Organizational Trust and Turnover Intentions (Support for H2b).....	70
<b>Figure 6-</b> Subsequent Organizational Trust Mediates the Relationship between Organizational Learning Capability and Organizational Trust (Support for H4).....	75
<b>Figure 7-</b> Organizational Trust Mediates the Relationship between Organizational Politics and Organizational Learning Capability.....	83
<b>Figure 8-</b> New Integrative Framework Illustrating the Relationships between the Study Variables.....	84

## ABSTRACT

A lack of research surrounding the contextual factors that either facilitate or impede the progress of developing learning capabilities in organizations suggests that researchers have yet to examine such issues. Indeed, despite a plethora of information on the trust, politics, and learning constructs, researchers have yet to explore these variables in conjunction with one another. While literature regarding organizational learning has grown substantially over the last decade, studies continue to investigate a common set of established factors that support the development of this practise. This study will explore the complex relationships between trust, politics, and learning, as well as the influence on building employee commitment and reducing turnover intentions. Results from the study provide the basis for the development of an integrative framework that illustrates how contextual factors influence organizational learning capability and in turn, the effects that developing learning capability can have on other organizational processes.

## SUMMARY OF FINDINGS

### **H1: Organizational trust is an antecedent to organizational learning capability.**

- Proposed relationship: Org. Trust → Org. Learn. Cap.
- Mediation tests confirmed that Organizational Trust is an antecedent to Organizational Learning Capability ( $\beta = 0.729^{**}$ ).

### **H2: (a) Organizational learning capability mediates the relationship between organizational trust and affective organizational commitment.**

- Proposed relationship: Org. Trust → Org. Learn. Cap. → AOC
- Results indicated evidence of mediation.
- Support for hypothesis.

### **(b) Organizational learning capability mediates the relationship between organizational trust and turnover intentions.**

- Proposed relationship: Org. Trust → Org. Learn. Cap. → TI
- Results indicated evidence of mediation.
- Support for hypothesis.

**H3: (a) Organizational politics will moderate the relationship between organizational trust and organizational learning capability such that high levels of organizational politics will weaken the relationship between organizational trust and organizational learning capability.**

- Results indicated that Organizational Politics did not moderate the relationship between Organizational Trust and Organizational Learning Capability
- Further readings were conducted and supplementary analyses were added in the discussion section of the manuscript (Hypothesis 3b).

**H3: (b) Organizational trust partially mediates the relationship between organizational politics and organizational learning capability.**

- Proposed relationship: Org. Pol  $\rightarrow$  Org. Trust  $\rightarrow$  Org. Learn. Cap.
- Results indicate evidence of mediation.
- Support for hypothesis.

**H4: The relationship between organizational trust and learning capability has a reinforcing effect such that subsequent trust in the organization mediates the relationship between organizational learning capability and organizational trust.**

- Proposed relationship: Org. Learn. Cap.  $\rightarrow$  SOT  $\rightarrow$  Org. Trust
- Results indicated evidence of mediation.
- Support for hypothesis.

## 1. STATEMENT OF THE PROBLEM

Despite a plethora of empirical literature surrounding the organizational learning, politics, and trust constructs, researchers have yet to explore these three variables and their relationship with one another. While literature regarding the learning organization has grown substantially over the last decade, studies continue to investigate a common set of factors related to this phenomenon.

As such, this study attempts to explore two important, yet overlooked variables that are linked to the learning organization: organizational politics and organizational trust. The relationship and interaction effects between these three variables can provide researchers and practitioners with new and valuable insights regarding important outcomes such as commitment, retention, and turnover in organizations.

It is proposed in this study that trust is required to effectively build organizational learning capability and ultimately, become a learning organization. A learning organization is characterized as one that possesses each of the following five learning capabilities: a clear mission and vision, effective knowledge transfer, leadership commitment and empowerment, reward for experimentation and innovation, and team and group problem solving (Goh, 1998).

It is argued that in order to build and sustain a learning organization, there must be an underlying element of trust that weaves the goals and agendas of each employee into one common organizational fabric. As a result, it is argued that a high degree of organizational trust is required if an organization is to effectively build learning capabilities and ultimately, become a learning organization. However, the relationship between trust and organizational learning capability may be moderated by certain variables.

One such variable is organizational politics. Issues such as job ambiguity, uncertainty, lack of resources, and dominant coalitions have all been empirically confirmed as potential influences on organizational politics (Valle and Perrewe, 2000; Witt, Andrews, & Kacmar, 2000; Andrews and Kacmar, 2001; Pune, 2003). The perception that politics take place results in a number of outcomes that are detrimental to the organization including: decreases in employee morale, job dissatisfaction, counterproductive work behaviours, increased absenteeism and employee turnover intentions, and a significant decrease in employee commitment to the organization (Vigoda, 2001; Kiewitz, Hochwarter, Ferris, & Castro, 2002; Treadway, 2005).

While many longitudinal studies have empirically demonstrated that learning organizations outperform their competitors (López, Peón, & Ordás, 2005; Goh and Ryan, 2008), the majority of the organizational learning literature continues to examine a common set of characteristics that describe a learning organization such as knowledge transfer, employee empowerment, environmental scanning, experimentation, and continuous learning opportunities (Ellinger, Ellinger, Yang, & Howton, 2002).

Therefore, the purpose of the current research study is to address a need to examine two critical yet overlooked variables in the organizational learning literature: organizational trust and politics. More specifically, this study will assess the role that organizational trust plays in building organizational learning capabilities, as well as how the presence of organizational politics moderates this hypothesized relationship. The results will shed light on the impact that organizational trust, politics, and learning capability have on building organizational commitment and reducing employees' turnover intentions. A review the literature related to the key components of the proposed research study follows.

## 2. LITERATURE REVIEW

Recently, an economic recession forced many organizations to terminate workers, downsize, and ultimately restructure. Such events may be followed by negative organizational outcomes including employee distrust, dissatisfaction, and even counterproductive work behaviours. Indeed, as competitive markets and networks recover from economic hardship, it is even more important that firms rebuild intra-organizational trust and move towards a learning orientation. Building organizational commitment and reducing turnover are sources of a competitive advantage to firms. This is because high absenteeism is counterproductive and turnover costs have a significant negative influence on profitability. Indeed, the cost associated with replacing an employee is considerable as both hard and soft costs are incurred.

For example, hard costs include job advertisements and recruiting fees, whereas soft costs include the former employee's client network, decreased work capacity, and sunken employee training costs. In fact, the cost of replacing a trained worker is approximately 70% to 200% times the departing employee's annual salary (Belcourt and McBey, 2007). For these reasons, organizational outcomes such as turnover intentions and affective employee commitment are critical to an organization if it is to operate at a sustainable level and compete in the marketplace.

The purpose of this study is to empirically investigate a number of relationships involving the organizational trust, politics, and learning constructs. In particular, this study will examine how organizational trust and politics influence learning capability, as well as the potential influence that organizational learning capability has on affective organizational commitment and turnover. A review of the previous research on organizational learning,

trust, and politics literature was carried out to provide the background to this research. While this study also refers to classic and influential studies involving the trust, politics, and learning domains, the emphasis is on recent theoretical developments. A review of organizational learning, trust, and power and politics literature follows. The first section reviews the central construct in this study; the learning organization.

### **The Learning Organization**

Globalization has allowed organizations to expand their horizons, while breaking down barriers to international venture participation and network involvement. However, globalization has also increased the number of factors that can have a profound impact on firm performance. Consequently, many organizations now have to operate in environments that are characterized as complex and uncertain.

Now more than ever, an increase in competition has forced organizations to make efficient use of their resources. The fact that modern firms operate under such circumstances underlines the need for organizations to utilize organizational learning practices and engage in self-initiated renewal. Indeed, organizations must improve continuously as the ability to learn faster and adapt quicker to changing conditions than competitors may be the most significant form of competitive advantage (de Geus, 1988; Goh, 2003; Jimenez-Jimenez and Cegarra-Navarro, 2006). In fact, knowledge may be the most strategically significant resource of an organization (Senge, 1990; Templeton, Morris, Snyder, & Lewis, 2004).

In the following sections, I will discuss the distinction between the learning organization and organizational learning. Thereafter, a description of organizational learning capability which can support an organization's transformation into a learning entity will be

outlined. This is an important process because many studies have empirically illustrated the benefits of becoming a learning organization.

**Conceptualization of the learning organization.** There have been many studies that illustrate the importance of being a learning organization, as well as the importance of executing organizational learning (Senge, 2006). Sometimes, authors create the misconception that the two processes are the same thing. While these two practices are very closely related, they are distinct constructs (Gorelick, 2005). In particular, the learning organization receives more focus from consultants and practitioners, whereas organizational learning receives more focus from researchers (Ortenblad, 2001).

The literature suggests that organizational learning is mediated by the learning of individual organizational members (Senge, 1990; Popper and Lipshitz, 2000). Specifically, there are two main methods by which organizations learn. The first is single-loop or behavioural learning, which entails the detection and correction of errors leading to the modification of rules within the established organization (Argyris and Schon, 1978). The second is double-loop or cognitive learning, which occurs when the established assumptions and principles that govern the organization are examined and challenged (Argyris and Schon, 1978). In essence, single-loop learning represents “doing things better” whereas double-loop learning represents “doing things differently” (Hayes and Allinson, 1998).

Argyris suggested that organizations were required to adapt and learn and accordingly, defined organizational learning as a process in which employees detect anomalies and correct them by restructuring organizational theory, action, and embedding the results of their inquiry into the maps or mental models of the organization (Argyris and Schon, 1996). The success of the organization’s ability to learn depends partly on its

learning mechanisms or learning capabilities, as well as its acceptance of a learning culture.

In fact, Popper and Lipshitz (2000) suggest that organizational learning is successful only when it is embedded within an organizational culture that values learning. Popper and Lipshitz (2000) describe a hierarchy of five characteristics that are essential to building a learning culture: continuous learning, transparency, accountability, valid information, and issue orientation. In essence, the authors suggest that these characteristics represent an organizational culture that is more conducive to organizational learning practices.

The literature also suggests that a learning organization possesses a culture that requires significant levels of trust between co-workers and management due to the need for transparency, accountability, and valid information. Moreover, the collaboration involved in experimentation, teamwork and knowledge transfer practices require employees to place a significant degree of trust and vulnerability towards their peers. It is this form of behaviour that allows risk-taking relationships between employees to occur. One can suggest that an organization with stronger levels of trust between co-workers is more proficient at utilizing its learning capability.

In her review of the literature, Shipton (2006) created a typology for the organizational learning literature that categorized current research into four quadrants, respectively: learning within an organizational context (the prescriptive perspective), organizational-level focus (the normative perspective), organizational-level focus (the explanatory perspective), and individuals learning within an organizational context (the descriptive perspective). The literature suggests that the normative and descriptive perspectives are the most widely accepted viewpoints in the organizational learning research. On one hand, the descriptive perspective focuses on understanding the processes that allow

organizations learn and adapt.

On the other hand, the normative perspective resembles the learning organization construct and represents an idealized vision of best practices that organizations can use to build their learning capability. This will allow organizations to pursue an idealized state (a pure learning organization) which may never be achieved (Robinson, 2001; Shipton, 2006).

According to the normative perspective, learning organizations use a strong learning culture and a learning capability to create an environment in which people “continually expand their capacity to create the results they desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning how to learn together” (Senge, 1990, p.3).

This suggests that organizations modify their behaviour by means of systematic problem solving, experimentation, learning from experience, and efficient knowledge dissemination (Garvin, 1993). Thus, one can suggest that the learning organization offers the vision and energy required to initiate and sustain change (Shipton, 2006). Senge (1990; 2006) defined the learning organization as an organization that not only possesses an adaptive capacity, but also generativity. As such, Garvin’s (1993) conceptualization of a learning organization as one that is “skilled at creating, acquiring and transferring knowledge and at modifying its behaviour to reflect new knowledge” (Garvin, 1993, p.80) is a relevant perspective to this study. Indeed, this paper expands the organizational learning literature by making a specific contribution to the normative perspective of analyzing the learning organization (Shipton, 2006).

How organizations can build learning capability is now discussed. Essentially, this represents the first stage of the organizational learning cycle (Crossman et al., 1999; Shipton,

2005) which allows the organization to strive for continuous improvement, as well as anticipate the need for change and adapt to uncertainty.

**Organizational learning capability.** Organizational learning mechanisms or learning capabilities are institutionalized structural and procedural arrangements that allow organizations to collect, analyze, store, and disseminate information between co-workers. Essentially, these learning mechanisms or capabilities allow organizations to learn (Popper and Lipshitz, 2000).

Goh (1998) identified two foundations, organization design and employees' skills and experiences, that support the five key learning capabilities that are crucial to becoming a learning organization: clarity of vision and mission, leadership commitment and empowerment, a culture that encourages experimentation and rewards, the ability to effectively transfer knowledge across organizational boundaries, and teamwork and group problem solving practices (Goh and Richards, 1997). Each of the foundations and learning capabilities are described below.

**Organization design.** Firstly, the organization's design must be conducive to building a learning capability. Thus, a more decentralized and horizontal structure is required to encourage the sharing of knowledge between departments and across work teams. A horizontal structure is organic in nature and allows employees from different groups or departments to naturally integrate, disseminate accurate and timely information, and work collaboratively. Essentially, rigid departmental boundaries within the organization are removed and the result is an organizational archetype that operates openly and seamlessly. A learning organization should be flexible with key horizontal linkages in place to encourage creativity, communication, innovation, and self-initiated renewal. Such linkages include the

use of many teams and task forces, information systems, and the encouragement of direct contact between employees (Daft, 2007).

***Employee skills and competencies.*** Learning organizations are well aware of the fact that poorly trained employees produce defective products or provide poor services to customers (Saks and Haccoun, 2007). Evidently, ensuring that employees possess the appropriate level of skills and competencies is of the utmost importance in operating a learning organization model. The benefits of utilizing a highly competent and skilful workforce include increased organizational effectiveness, organizational survival and prosperity, attractiveness to top external recruitments, and retention (Saks and Haccoun, 2007). Also, learning organizations perceive training and development as a long term investment and not merely as a short-term “fix.” As a result, learning organizations are more likely to invest in training experiences that develop entire subunits and focus on behavioural skills, rather than strictly technical skills (Goh, 1998). Below are the five key learning capabilities proposed by Goh and Richards (1997) that are critical to becoming a learning organization:

***Clarity of vision and mission.*** In regards to the five major learning capabilities, the first ensures that the organization’s mission and vision are clear and well supported by all employees (Goh and Richards, 1997). This process requires that each subunit within the organization (and conceivably the organization as a whole) possesses a clear and definitive purpose. This ensures internal alignment of the organization. Dealtry (2005) suggests that the future viability of any organization rests upon the ability of its managers to make a major contribution in the persistent renewal, quality and visibility of the firm’s learning capabilities. This brings to light the importance of providing employees natural

opportunities to learn, develop, and improve. Essentially, this process is spearheaded by management and engages all the capabilities of the organization as a fully functioning business brain that breaks out of the confines of classic mechanistic organizational paradigms (Dealtry, 2005).

Building a shared vision of the future state of the organization that is well understood and accepted by employees is likely to enhance the clarity and intention behind both the vision and mission statements (Senge, 1990). In line with this view, this study argues that if the organization's vision and mission is shared and understood by all employees, they will trust management and feel more capable of taking initiatives and engaging in risk-taking behaviours (Goh and Richards, 1997; Mayer, Schoorman, & Davis, 1995).

***Leadership commitment and empowerment.*** Next, it is important that leaders are committed to the organization and empower subordinates because employees have a strong desire to believe they are part of the setting in which they work (Fiol, O'Connor, & Aguinis, 2001). In return, employees are expected to be committed to the leaders of the organization. The learning organization would benefit from the use of transformational leaders. These types of leaders empower, challenge, and gain trust from employees using four distinct tactics: charisma or idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Judge and Piccolo, 2004). Transformational leaders share a vision and offer a purpose that transcends short-term goals by encouraging employees to think about the "big picture" (Judge and Piccolo, 2004). Evidently, these leaders are committed to the evolution and longevity of the organization by setting difficult goals that require employees to think creatively, autonomously, and work hard. There also needs to be leadership commitment to organizational learning, development, and innovation. Senior

management must support organizational learning practices in order for employees to feel safe to experiment (Carmeli and Sheaffer, 2008; Common, 2004; Dekker and Hansen, 2004). Essentially, leadership can facilitate a “learning from failures” mentality which enhances organizational adaptability.

In a recent study, Madsen and Desai (2010) found that while experience with failure allows organizations to improve performance relative to their own previous benchmark, the same level of improvement cannot be achieved based on experience with success. In essence, the authors suggest that organizations may be more effective at learning when they observe their own and others’ failures rather than focusing on their success. Furthermore, this finding implies that organizational learning from success is not an automatic process (Madsen and Desai, 2010). Building on this contribution, one could suggest that organizations are better off when forced to battle through adversity and hardship compared to those that do not endure such experiences. This is because knowledge developed in response to failure is more stably embedded in codified memory systems (Madsen and Desai, 2010).

It appears that organizations must discourage any stigmatism associated with mistakes, errors, or failures because focusing on the discredit of employees may deprive the organization of opportunities or improvement (Madsen and Dessai, 2010). Two major obstacles impeding organizations to learn from failure are the difficulty of extracting meaningful knowledge from failure and political posturing to assign responsibility for such failure (Madsen and Dessai, 2010). It is imperative that organizations overlook minor errors and continue to think long-term and focus their efforts on continuous improvement. Moreover, this suggests that in situations where political activity is minimal, the relationship between trust and learning will be stronger.

Indeed, organizational leaders must encourage employees to rethink and challenge the theory of business (Drucker, 1994) because employees are more likely to trust and be committed to leaders that accentuate organizational learning. Perhaps the most useful mechanism to stimulate such a progression is to empower employees and encourage them to correct any flaws in the organization's business processes.

*A culture of experimentation and rewards.* Organizations must develop a culture that is built on trust, feedback, and encourages experimentation. A feedback culture refers to the organization's support for feedback, including nonthreatening, behaviourally focused feedback (London and Smither, 2002). Similarly, feedback orientation refers to an individual's overall receptivity to feedback, including comfort with feedback, tendency to seek feedback, and the likelihood of using the feedback to guide behaviour change and performance improvement (London and Smither, 2002).

This finding lends support to the creation of an environment that encourages learning, experimentation, and curiosity (Sobiechowska and Maisch, 2007; Rowold, Hochholdingr, & Schilling, 2008). Many authors have supported the concept of developing a work environment that stimulates creativity, encourages innovation, and admits mistakes. For example, Sobiechowska and Maisch (2007) found that transforming the learning milieu of the organization resulted in a significant difference to employees' learning progress.

The studies above suggest that there are two main types of learning environments: an enabling learning environment- where working conditions and practices are likely to promote a balance between reproductive and developmental learning, and a constraining learning environment- where conditions and practices are likely to constrain both reproductive and developmental learning (Ellstrom, Ekholm, & Ellstrom, 2008). Evidently,

an effective workplace is designed for learning to the extent that it creates a culture that affords opportunities for individuals to engage in learning at work (Ellstrom et al., 2008).

Additionally, a recent study by Jashapara (2003) showed that cooperative cultures focused on improving proficiency and efficiency led to increased organizational performance. However, it is important to note the paradox that cooperative cultures may not function properly in the absence of task conflict, which forces organizations to remain sharp, continuously improve, and avoid static movement. Interestingly, the organization's culture is extremely malleable and vulnerable; yet ironically, the culture is also resistant to change. In essence, the culture and the organization are intertwined; an organization's culture is not a phenomenon independently assessable of the employees or systems which continue to shape it (Lakomski, 2001). A learning organization naturally favours adaptation as a response to uncertainty; it naturally evolves and anticipates the need for change when faced with complex environmental stimuli.

*Effective transfer of knowledge.* Employees must be able to transfer clear, concise, and specific knowledge across organizational boundaries. Learning organizations provide horizontal linkages that allow employees to communicate successful practices that spawn creativity, breed trust, and solve intra-organizational or client problems (Goh, 1998). Indeed, pooling resources or knowledge expertise enables the firm to develop flexibility and innovate (Morris and Empson, 1998) because knowledge transfer that travels between subunits, across hierarchical levels, and interacts with the external environment is very effective (Goh, 1998).

de Geus (1997) suggests that organizations must harness their ability to anticipate the need for change, adapt, and develop new skills and attitudes in order to cope with a changing world. The process by which organizations accomplish this feat derives from the

exploitation of their learning capabilities. Knowledge utilization can be optimized if the shared knowledge is organized with the aim of increasing the efficiency and effectiveness of work flows (Arsenijevic, Tot, Grubic Nestic, Andevski, & Arsenijevic, 2009). Therefore, organizational learning occurs when knowledge in one part of the organization is used to solve problems or influence the development of new ideas (Goh, 2002). The literature suggests that firms which possess a distinct learning orientation in terms of commitment to learning, shared vision, open-mindedness, and knowledge transfer are more likely to possess higher innovative capability and outperform their counterparts (Calantone, Cavusgil, & Zhao, 2002).

However, just as the knowledge base of organizations can be extremely valuable, it can also be quite vulnerable. Factors that can impede or disrupt the transfer of knowledge must be considered. Such factors may include a mechanistic organizational design, political environments, and a lack of usable information (Goh, 2002). Thus, it is important for organizations to orient themselves with these negative factors and manage them appropriately.

***Teamwork and group problem solving.*** Teamwork and group problem solving practices are important steps towards becoming a learning organization. This is because the use of teams can prevent a unilateral perspective on complex issues in the organization. Teamwork facilitates the interaction between employees and results in the collective use of diverse skills, competencies, and expertise. In conjunction with the capability to effectively transfer knowledge, teamwork allows both tacit and explicit knowledge to be shared among organizational members.

In turn, this process increases the overall knowledge base of the organization. In

addition, teams are most effective when they consist of employees from different organizational functions (Goh and Richards, 1997). Learning organizations excel by rotating employees among different teams to expand their horizons and openness to new experience (Goh and Richards, 1997). Table 1 summarizes the two foundations that support the five key learning capabilities that are crucial to becoming a learning organization:

**Table 1**

*Summary of a Learning Organization's Foundations and Learning Capabilities*

<b>Foundation/Learning Capability</b>	<b>Descriptor</b>
Organization Design (Foundation)	A decentralized and horizontal structure that encourages the sharing of knowledge and fluid communication across organizational boundaries.
Employee Skills and Competencies (Foundation)	Ensuring that employees possess the appropriate level of skills and competencies to execute the required operational tasks.
Clarity of Vision and Mission (Learning Capability)	The organization must communicate a clear vision and mission statement that is well supported by all employees.
Leadership Commitment and Empowerment (Learning Capability)	Leadership must exemplify a commitment to the organization and employees by empowering subordinates and allowing them to participate in decision-making.
A Culture of Experimentation and Rewards (Learning Capability)	The organization must create an environment that encourages and rewards learning, experimentation, and curiosity.
Effective Transfer of Knowledge (Learning Capability)	Employees must be able to transfer clear, concise, and specific knowledge across organizational boundaries.
Teamwork and Group Problem Solving (Learning Capability)	The use of teamwork prevents a unilateral perspective on complex organizational issues.

In order to build learning capability, there must be an appropriate organizational design in place coupled with strategic investments in employee development. These two pillars form a robust structural foundation that facilitates the development and implementation of key learning capabilities. These learning capabilities include clarity of vision and mission, leadership commitment and empowerment, a culture that encourages and rewards experimentation, the ability to effectively transfer knowledge, and teamwork and group problem solving. Consequently, the learning organization is formed and competitive advantages can be achieved. The next section discusses and describes the outcomes associated with the learning organization.

**Outcomes of the learning organization.** Once the major learning capabilities are developed, the organization begins to function as a learning entity and numerous payoffs begin to emerge. In particular, the learning organization begins to naturally adapt to the external environment (Pulakos, Arad, Donovan, & Plamondon, 2000), anticipate the need for change, and provide the firm with a distinct competitive advantage (Appelbaum and Gallagher, 2000). The competitive advantages gained via the learning organization strategy are quite profitable for firms. In line with a strategy inspired by resource-based theory, firms with valuable, rare, and inimitable resources have the potential of achieving superior performance (Barney, 1991).

Firstly, learning organizations leverage their capabilities to outperform their competitors in a number of financial aspects which included return on investment, average productivity per employee, response time for customer complaints, market share, and cost per business transaction (Ellinger et al., 2002). Other financial domains in which learning organizations outperformed their competitors include sales growth, profitability, average

productivity, and cost reduction (Prieto and Revilla, 2006). In a longitudinal study using traditional financial market indexes, Goh and Ryan (2008) found that learning companies outperformed their competitors in both bull and bear markets. In a similar analysis, Goh (2003) found strong support for the learning organization using two case studies featuring a high-technology research and development group and a telecommunications company. Specifically, a longitudinal study spanning two years indicated that both organizations significantly improved their overall learning capability (Goh, 2003). To further support the benefits of becoming a learning organization, Yang, Watkins, and Marsick (2004) provide results that show that learning organizations increase firm financial and knowledge performance. Increased knowledge performance thereafter leads to greater innovation and competitiveness (Lopez et al., 2005)

With respect to non-financial performance criteria, learning organizations once again consistently outperform their counterparts in the following measures: the number of suggestions implemented, new products and services, percentage of skilled workers employed, percentage of total spending devoted to technology, number of individuals learning new skills, customer satisfaction, (Ellinger et al., 2002) customer growth, product and service quality, and organizational reputation (Prieto and Revilla, 2006).

In another respect, case studies involving organizations operating in Singapore revealed that organizations with developed learning capabilities were more likely to share information, possess employees that learn from one another, and function with a high degree of flexibility (Yeo, 2002). Taken holistically, the aggregate results of these studies lend credence to the learning organization strategy as a means to gain competitive advantages. Thus, the most effective way for an organization to function may be to harvest a stable

process of learning, development, growth, and feedback. Moreover, the ultimate rewards for becoming a learning organization are continuous improvement, evolution, increased employee retention, and superior performance in both financial and non-financial domains.

However, the journey to becoming a learning organization is not without obstacles. Most notably, a number of scholars called for research surrounding trust, power, politics, and organizational learning. This is because it is too simplistic to assume that a landscape of conflicting interests, trust, and differential power relations do not influence learning capabilities (Easterby-Smith, Crossan, & Nicolini, 2000; Vince and Saleem, 2004). Recent evaluations of knowledge management systems illustrate that a lack of attention to social factors may be impairing the effectiveness of learning organization initiatives (Easterby-Smith et al., 2000). Issues such as distrust, power struggle, conflict, and politics may prove to act as deterrents on the context within which learning and development occur. Furthermore, the exchange of expertise and information is highly political in nature. Therefore, it is critical to address the process of learning within a context that possesses conflicting stakeholder views, economic pressures, institutionalized political interests and agendas. Thus, in the next two sections the discussion will focus on the two influential social factors of organizational trust and politics.

This next section reviews the current research on organizational trust and discusses the implications of hypothesizing the trust construct as an antecedent to the learning organization. Following a review of the trust literature, this study will make explicit the moderating effect that organizational politics has on the relationship between organizational trust and learning capability.

## **Organizational Trust**

Economic crisis, business process reengineering and increased global market competition has created “lean and mean” organizational models that expect employees to do more with less. The sudden constraint on resources has the potential to become a serious issue and may cause employees to experience decreased levels of trust in the organization. This issue must be addressed because trust is a critical element to organizational effectiveness (Zeffane and Connell, 2003). A firm’s ability to remain competitive in an increasingly global and turbulent market may hinge on its ability to build trusting relationships (Huff and Kelley, 2003) since advantages ensue to organizations that foster an internal climate of trust (Shockley-Zalabak et al., 2000).

Many researchers have identified trust as a key element to the success and continuity of a firm. For example, Sydow suggests that “in a world of increasing uncertainty and complexity, flat hierarchies, more participative management styles and increasing professionalism, trust is thought to be a more appropriate mechanism for controlling organizational life” (Sydow, 1998, p. 31). In a similar vein, Sheppard and Tuchinsky claim that “without such control, let’s call it trust, alternative organizational forms cannot be sustained” (Sheppard and Tuchinsky, 1996, p. 142). These authors suggest that the construct of trust can be used as a generative mechanism that identifies the values of an organization, governs employees, and guides managers. It can be argued that “there is perhaps no single variable which so thoroughly influences interpersonal and group behaviour as does trust” (Golembiewski and McConkie, 1975, p.131).

**A definition of organizational trust.** Over the years, there have been several conceptualizations of organizational trust. For example, some researchers suggest that people are more willing to trust those with whom they share a social connection (Tyler, 2003; Dietz and Den Hartog, 2006). Other researchers suggest that trust is a psychological state which encompasses the act of accepting vulnerability based on the (positive) expectations regarding the intentions of another party (Rousseau, Sitkin, Burt, & Camerer, 1998; Fichman, 2003). Another useful conceptualization of trust is to view it as “one’s expectations, assumptions, or beliefs about the likelihood that another’s future actions will be beneficial, favourable, or at least not detrimental to one’s interests” (Robinson, 1996, p. 576). In line with this view, a less convoluted explanation suggests that trust is simply the conscious regulation of one’s dependence on another (Zand, 1972).

In the context of this study, trust may be conceptualized as an employee’s conscious dependence on their organization to provide them with certain outcomes (such as salary) in exchange for inputs (such as labour). Research suggests that in order to build trust, it is useful to examine the trust framework developed by Mayer, Davis, & Schoorman (1995). This model is a widely accepted explanation of the process by which one party develops trust towards another. In regards to this study, this framework proposes a process that employees go through in deciding whether or not to trust their employer. To begin with, the authors suggest that all employees possess a propensity to trust. A propensity to trust is defined as “a stable within-party factor that will affect the likelihood that an employee will trust” (Mayer et al., 1995, p. 715). Essentially, an employee’s propensity to trust is their general willingness to trust.

Next, the authors discuss the concept of trustworthiness which is a set of

characteristics that the trustee (organization) must possess in order to be perceived as trustworthy. More specifically, the authors offer three major factors that influence perceived trustworthiness: ability, benevolence, and integrity. Ability refers to the group of skills, competencies, and characteristics that enable a party to have influence within some specific domain (Mayer et al., 1995). In the context of this study, the organization (trustee) may display ability by achieving a strong presence in the market, attaining high-profile clients, and providing employees (trustors) with interesting work and learning opportunities.

Benevolence refers to the extent to which the organization (trustee) is perceived to want to do good to the employees (trustors), aside from egocentric motives (Mayer et al., 1995). For example, the organization may encourage a commitment to employee improvement and progression, offer employees transparent compensation packages, and make an effort to recognize employee contributions to the organization. Finally, integrity refers to the employees' (trustors') perception that the organization (trustee) adheres to a set of principles that the employees find acceptable (Mayer et al., 1995; Schoorman, Mayer, & Davis, 2007). For example, the organization may preach business ethics and actively practice distributive, procedural, and interactional justice.

In essence, if employees possess sufficient levels of a propensity to trust and they perceive the organization as trustworthy- due to the organization's capacity to exemplify ability, benevolence, and integrity- than they are more likely to trust the organization. That is, the employees are expressing their willingness to be vulnerable and depend on the organization. Once the employees are willing to be vulnerable to the organization, they are more likely to engage in behavioural manifestations of trust such as risk-taking relationships with the organization. Specifically, employees are more likely to place a conscious

dependence on their organization to provide them with certain outcomes (such as salary) in return for certain inputs (such as labour).

Employees must believe that practices or risks such as experimentation, expressing new ideas, making mistakes, and challenging the status quo are encouraged by management. Moreover, employees must believe that they will not be punished for such actions. In addition, employees must believe that management will recognize and reward workers appropriately for innovative and value-added practices. Thus, trust must be established as an antecedent to organizational learning capability if organizations are going to move towards becoming a learning entity.

**Factors influencing the development of organizational trust.** A number of factors including empowerment (Laschinger, Spence Finegan, Shamian, Casier, 2000; Laschinger, Finegan, & Shamian, 2001), effective organizational communication and job security (Albrecht and Travaglione, 2003), and respect and interest in co-workers (Young and Daniel, 2003) have all been empirically linked to the formation of organizational trust. Additionally, the social significance of the organization's mission, quality of output, and the organization's persistence were identified as important indicators of organizational trust (Perry and Mankin, 2007). A different set of factors including the manager's employee orientation, honesty, ability, fairness, and forthrightness can also determine trust in the organization's management (Perry and Mankin, 2007).

In line with this view, it is important to acknowledge trust in leadership. This domain is important because leadership commitment and empowerment is a key learning capability when becoming a learning organization. In fact, a meta-analysis revealed that several key variables determined trust in the organizational leader: transformational leadership, perceived

organizational support, participative decision-making, organizational justice, unmet expectations (negative relationship), subordinate propensity to trust, and the length of the subordinate-manager relationship (Dirks and Ferrin, 2002).

Many scholars have credited trust as a key influence on a number of organizational outcomes. For example, organizational trust facilitates relationships and cooperation between individuals, increases acceptance of technological innovations (Hubbell and Chory-Assad, 2005), and promotes extra-role work behaviours (Bijlsma and Koopman, 2003). These findings suggest there may be a link between organizational trust and learning capabilities such as teamwork and group problem solving. The importance of building and preserving organizational trust can be further highlighted by examining trust as a variable with two main causal pathways. The first is a structuring pathway whereby trust shapes the relatively stable and enduring interaction patterns within organizations (McEvily, Perrone, & Zaheer, 2003). The second is a mobilizing pathway whereby trust motivates employees to contribute, combine, and coordinate resources toward collective endeavours (McEvily et al., 2003).

Accordingly, many researchers have found numerous benefits of fostering trust in the work environment. For example, high levels of organizational trust resulted in more robust human resource management program creation and delivery, increased training and development initiatives, and greater organizational performance (Tzafrir, 2005), as well as affective organizational commitment and decreased employee turnover intentions (Tan and Tan, 2000). Likewise, Elicker et al. (2006) suggested that trust may form the basis for a social context that is conducive to experimentation, innovation, and transparency. This finding suggests that there could be a significant link between organizational trust and the

learning organization.

Recent research suggests that an excellent way to develop a firm's competitive advantage is by obtaining up-to-date knowledge via trusting relationships in industrial clusters (Niu, 2009). In particular, trust mediates the relationship between industrial cluster involvement and knowledge acquisition which results in enhanced organizational knowledge-obtaining practices (Niu, 2009). These characteristics are also crucial to the development and sustainability of a learning organization. This is based on the concept that trust promotes coworkers, managers, and different social groups within the organization to work towards a common mission or vision (Castaldo, 2002; Gambetta, 1998; Vidotto, 2008). Thus, there may be reason to believe that trust is linked to a clear vision and mission that is understood and accepted by all employees. In turn, this relationship yields a number of valuable dividends beneficial to the organization.

In fact, organizations with employees possessing high levels of trust in management significantly outperform those organizations with employees possessing lower levels of trust in management in terms of sales, profits, and turnover (Davis, Schoorman, Mayer, & Tan, 2000). Moreover, the managers who were either more or less trusted differed significantly in their perceptions of their ability, benevolence, and integrity (Davis et al., 2000). In addition, once trust in the leader is established, several other key organizational outcomes have been identified: enhanced employee ability to focus attention on value-producing activities (Mayer and Gavin, 2005), increased innovative behaviour (Tan and Tan, 2000), increased organizational citizenship behaviours, job performance, job satisfaction, organizational commitment, belief in information, goal commitment, satisfaction with the leader, leader-member exchange, and decreased intentions to quit (Dirks and Ferrin, 2001; Dirks and

Ferrin, 2002). Clearly, establishing trust in leadership which in turn, increases intra-organizational trust is an important domain to consider because it permits an organization to effectively develop leadership commitment and empowerment.

The risk-taking actions exhibited by one party in an interacting pair were found to predict the other party's trustworthiness perceptions and subsequent trust. In turn, the level of trust formed predicted the party's subsequent risk-taking behaviours with respect to the other party (Serva et al., 2005; van de Bunt et al., 2005). Thus, many researchers have suggested that trust is an important mechanism that enables managers to achieve organizational openness and competitiveness, while reducing uncertainty and vulnerability. This is because employees are expected to challenge processes in order to learn and innovate continuously (Mollering et al., 2004). This logic is in line with Kanter's Theory of Organizational Empowerment, which suggests work environments that provide access to information, resources, support, and the opportunity to learn and develop are empowering and enable employees to accomplish their work. As a result, employees perceive that management can be trusted to do whatever is necessary to ensure that high-quality outcomes are achieved (Kanter, 1977).

Finally, it is important to acknowledge the roles that trust and enterprise logic play in the failure of organizations to learn and transform. In essence, enterprise logic refers to the overarching logic shaping a firm's strategy, structure, and management processes (Miles, Snow, Mathews, Miles, & Coleman, 1997) and suggests that a number of large organizations plateau or decrease in effectiveness as a result of their failure to transform into a learning entity (Dovey and Fenech, 2007). In order to address this issue, the authors suggest that a new form of enterprise logic based on an underlying theme of trust spawns creativity,

learning capabilities, and innovation (Dovey and Fenech, 2007). Accordingly, it seems within the realm of possibility to leverage this new form of enterprise logic as a means to evolve the organization into a learning entity.

It is argued in this study that employers must demonstrate significant levels of ability, benevolence, and integrity to build organizational trust. In turn, organizational trust is required to build and implement organizational learning capabilities as it requires risk and vulnerability (Dovey and Fenech, 2007). Essentially, the collaborative learning practices that support innovation are dependent on the availability of trust and other social capital resources (Dovey, 2009). Thereafter, employees are expected to be more affectively committed to the organization and less likely to have strong turnover intentions. Furthermore, the foundations and learning capabilities that emulate the learning organization are expected to provide a reinforcing effect (feedback loop) that stimulates employees to further trust their organization.

There are two main types of feedback processes: reinforcing and balancing. Balancing (or stabilizing) feedback processes operate whenever there is a goal-oriented behaviour (Senge, 1990). Essentially, this form of feedback seeks to obtain a balance in activity or behaviour. Reinforcing (or amplifying) feedback processes are “the engines of growth” (Senge, p.79, 1990) that generate development, progression, and innovation. Thus, this study hypothesizes that after the key learning foundations and capabilities have been implemented, a reinforcing effect will occur in which employee trust in their organization is amplified, thereby increasing organizational trust. Indeed, this logic follows that of Senge (1990) who suggests that structure influences behaviour by providing a system for employees to engage in. Senge (1990) argues that when placed in a system, different people

will produce similar results.

The literature on organizational trust suggests that this construct may form the basis for a social context that encourages clear and accurate communication flows, confident and reliable leaders, creativity and experimentation, transparency, and teamwork. Therefore, it seems reasonable to assume that there is a link between organizational trust and the learning capabilities required to operate and sustain a learning organization. Further, the ability to learn, transform, and self-initiate an organizational renewal process is a distinct competitive advantage (Dovey, 2009). This study proposes that the development of learning capability hinges on the level of organizational trust and the management of situational social factors such as power struggle and political activity. To support such an assertion, the next section will review the literature on organizational politics and demonstrate that the context of this study suggests the use of the politics construct as a moderator variable.

### **Power and Politics in Organizations**

The process of building organizational trust and becoming a learning organization requires a significant investment in terms of both time and money. Many precious resources must be devoted to these two initiatives. Indeed, it is important to consider the construct of organizational politics because this phenomenon is constantly active in organizations. Disagreements and conflicts between managers and employees are common and arguably inevitable events in organizations (Korsgaard, Brodt, & Whitener, 2002). Such negative events pose a threat to building a trusting and empowering relationship among employees. It has been suggested that organizational politics should be examined using an integrative approach that involves behavioural and perceptual dimensions to create a more thorough

understanding of this phenomenon (Vigoda & Cohen, 2002).

Politics naturally occur in most organizations due to the diversity of workers, as well as the variety between employee views, knowledge, skills, and agendas. In essence, organizations are political arenas (Mintzberg, 1983). As such, regarding organizational politics, it is not necessarily a question of their existence, but more so of the degree to which they subliminally govern the organization. It is important to note that research on organizational politics has examined the construct from a number of different perspectives. More specifically, there has been use of the organizational politics construct as an antecedent, a mediator, an outcome, and a moderator because the organizational politics construct is measured based on employee perceptions.

**Conceptualization of organizational politics.** The topic of organizational politics has been of great interest to management scholars. Perhaps this is because many individuals, working as either a researcher or practitioner, have experienced some form of political behaviour in their lifetime. Over the years, organizations have been faced with overcoming the changing of workplace dynamics; a process which can facilitate the use of political strategies. The construct of organizational politics is quite significant. There are many factors to be accounted for and relationships do not always clearly emerge. Research suggests that conflicts, influence tactics, power struggle and resistance are all intertwined and represent an overarching construct of politics (Fleming & Spicer, 2008). Indeed, conceptualizing the organizational politics variable has been a difficult task for many researchers.

In one of his seminal works, Max Weber proposed that power was simply the probability that one actor within a social relationship will be in a position to carry out his

own will despite resistance (Weber, 1978). Building on this definition, Mintzberg (1983) described organizational politics as individual or group behaviour that is informal, destructive, divisive, and technically illegitimate. Mintzberg (1983) also argued that organizational politics were sanctioned neither by formal authority, accepted ideology, nor certified expertise.

More recent studies have defined organizational politics from a perceptual standpoint. As such, this study offers a widely accepted definition of the perception of organizational politics as the degree to which respondents view their work environment as political in nature, promoting the self-interests of others, and thereby unjust and unfair from the individual point of view (Ferris & Kacmar, 1989; Kacmar & Carlson, 1997). This conceptualization is based on the research conducted by Lewin (1936) who suggested that people more often respond to their perceptions of reality, not to reality itself. Accordingly, researchers argued that measuring political activity was very difficult and thus introduced the concept of the “perception” or “awareness” that employees have regarding the level of political activity in their workplace. Previous research efforts have identified a number of factors that potentially cause organizational politics. While there is no single cause of organizational politics, there have been numerous factors identified as contributing to employees’ perceptions that political activity occurs within their workplace. In order to conduct a manageable review of the organizational politics literature, the factors identified in empirical studies over the last decade will be outlined below.

Perhaps the most frequently studied variable over the last decade, formalization has been negatively linked to the development of organizational politics (Valle & Perrewé, 2000; O’Connor & Morrison, 2001; Andrews & Kacmar, 2001; Aryee, Zhen, & Budhwar, 2004).

This implies that when organizations formalize business processes and policies, there is less room for employees to politically manipulate organizational rules or protocols. Other structural variables significantly influenced the level of politics in the workplace. For example, spatial distance (Ayree et al., 2004) was positively correlated with perceptions of organizational politics. This implies that when workers are more spaced out geographically, the organization increases in terms of spatial complexity which in turn, increases the difficulty of managing distant employees and the probability of political activity. Also, hierarchical level/rank was negatively associated with organizational politics (Valle & Perrewe, 2000; Vigoda & Cohen, 2002; Aryee et al., 2004). This result is due to the fact that employees at lower level jobs are usually the victims of political activity that occurs at a higher hierarchical level.

In addition, external locus of control was positively correlated with organizational politics (Andrews & Kacmar, 2001; O'Connor & Morrison, 2001), whereas internal locus of control was negatively related to political activity (O'Connor & Morrison, 2001). Thus, when employees perceived that they had minimal control over their tasks, duties, and job outcomes, they also perceived the work environment as more political in nature. However, employees that felt a great deal of autonomy in completing their tasks and duties were more likely to feel as though the organization was not politically charged. This finding lends support to the learning organization as empowerment can diminish the presence of organizational politics.

In terms of other significant determinants of the organizational politics construct, leader-member exchange (Andrews & Kacmar, 2001), organizational climate (O'Connor & Morrison, 2001), Machiavellianism (O'Connor & Morrison, 2001), job ambiguity (Poon,

2003), scarcity of resources (Poon, 2003), span of control (Valle & Perrewe, 2000), relationship conflict (Darr & Johns, 2004), and departmental task conflict (Darr & Johns, 2004) were all positively associated to the perception of organizational politics. On the other hand, met expectations and person-organization fit (Vigoda, 2000; Vigoda & Cohen, 2002), organizational commitment (Vigoda & Cohen, 2002), co-worker cooperation (Andrews & Kacmar, 2001), job satisfaction (Vigoda & Cohen, 2002), and participation in decision making (Vigoda & Cohen, 2002; Ayree et al., 2004) were all negatively associated with organizational politics.

Interestingly, job autonomy, feedback (Valle and Perrewe, 2000), and a trust climate (Poon, 2003) were also negatively associated with organizational politics. Drawing a parallel to the literature review above, one can suggest that encouraging organizational trust may reduce the perception of organizational politics. In other words, when employees trust their employer, they are less likely to perceive the organization as being politically charged. This study suggests that because learning organizations possess a clear shared vision and mission, leadership commitment and empowerment, a culture that encourages experimentation, effective transfer of knowledge, and group problem solving, they are less likely to have employees engage in political behaviour. Moreover, functioning within a decentralized organic structure that provides horizontal interdepartmental integration and fluid communication channels are less likely to promote the presence of politics.

In an attempt to summarize the sources of organizational conflict, Daft contends that goal incompatibility, differentiation, task interdependence, and limited resources are all subject to disagreements amongst employees (Daft, 2007). Furthermore, Daft suggests that sources of power arise from dependency, access to financial resources, network centrality,

nonsubstitutability, and the ability to cope with uncertainty (Daft, 2007). It appears as though conflict is caused by intra-organizational interactions between employees, whereas power is gained by one's intra-organizational centrality. As the next section discusses, organizational politics have the potential to seriously impede an organization's ability to function.

**The influence of power and politics on organizations.** There are a number of outcomes associated with the perception that organizational politics permeate the workplace. The most empirically tested outcomes of organizational politics are job satisfaction (Ferris, Frink, Bhawuk, Zhou, & Gilmore, 1996a; Ferris, Frink, Galang, Zhou, Kacmar, & Howard, 1996b; Bozeman, Perrewé, Hochwarter, Kacmar, & Brymer, 1996; Cropanzano et al., 1997; Vigoda, 2000b; Poon, 2004a; Poon, 2004b; Harris, Harris, & Harvey, 2007; Miller et al., 2008; Chang, Rosen, & Levy, 2009) and turnover intentions (Bozeman et al., 1996; Vigoda, 2000; Poon, 2004a; Harris et al., 2007; Miller et al., 2008; Chang et al., 2009; Harris, Harris, & Wheeler, 2009). Both outcomes were negatively correlated with organizational politics. As such, one can deduce that when employees perceive their environment as politically charged, they feel a greater need to exit the organization and also experience far less job satisfaction.

In relation to decreased job satisfaction, employees that perceive their organization as politically charged are also more likely to experience job strain (Harris et al., 2007; Chang et al., 2009), frustration (Harris et al., 2009; Rosen et al., 2009), psychological contract breach (Kiewitz et al., 2009), job stress (Bozeman et al., 1996; Poon, 2004a; Miller et al., 2008), and job anxiety (Ferris et al., 1996a; Ferris et al., 1996b). As mentioned previously, turnover and poor retention are costly consequences that organizations face. Thus, it is imperative that

they are managed appropriately. Indeed, a number of studies suggest that if organizational politics are not managed appropriately, decreased employee commitment and turnover will result. Consider the works of Bozeman et al. (1996), Cropanzano et al. (1997), Vigoda (2000a), Miller et al. (2008), and Chang et al. (2009) who each found that organizational politics correlated negatively with organizational commitment.

Similarly, employee task performance (Chang et al., 2009; Rosen et al., 2009), pay satisfaction (Harris et al., 2007), individual-oriented and organization-oriented organizational citizenship behaviours (Chang et al., 2009), job involvement (Cropanzano et al., 1997), and job dedication (Witt et al., 2002) were all negatively associated with organizational politics. Therefore, it seems that organizational politics can cause decreases in employee productivity, morale, and client service which is highly detrimental to the organization's ability to function effectively.

In terms of organizational support mechanisms, Harris et al. (2007) and Kiewitz et al. (2009) found that organizational politics correlated negatively with employee perceptions of organizational support. In light of this, employees who perceived their environment as political were less likely to be retained by their immediate supervisor (Andrews et al., 2003). Clearly, politics can have a profound influence on the level of trust between a subordinate and manager which causes detrimental staffing outcomes. In regards to employee behaviours, organizational politics correlated positively with negligence (Vigoda, 2000b), role conflict (Harris et al., 2007), progressive withdrawal (Farmer and Aguinis, 2005), and the formation of political sub-climates (Treadway et al., 2005). In particular, the intra-organizational conflicts that arise between employees can act as direct stimuli to the development of political sub-climates. This finding suggests that the presence of power

struggle and politics in organizations has negative implications towards the use of collaborative practices such as knowledge transfer and group problem solving.

Treadway et al. (2005) point out that the perception of organizational politics among employees not only depends on which particular division an employee works for, but also their coalition or group membership. This coalition association may indeed span outside the realm of traditional divisional boundaries. As results show, organizations do indeed possess a number of sub-climates and the interactions that each employee has with their environment shapes the manner in which they perceive the workplace as a political arena (Treadway et al., 2005). Therefore, it is important that organizations think of diversity as a more complex characteristic that includes department membership as an important predictor of the formation of political sub-climates.

The literature on power and politics seems to suggest that this construct can have a significant influence on organizational trust and learning capability. In particular, the power and politics construct seems to possess characteristics that are contradictory to the organizational trust construct. Thus, it seems reasonable to assume that in organizations with higher levels of political activity, there are also lower levels of trust amongst peers. Furthermore, the literature surrounding the power and politics construct suggests that this construct is detrimental in nature and causes employees to engage in a number of counterproductive work behaviours that may cause discontinuities in organizational learning. In particular, Berends and Lammers (2010) found that organizational learning trajectories were not linear, but rather complex formations. As a result, factors such as power struggle and workplace politics can impede the learning cycle of an organization and create a number of dysfunctional processes that weaken learning capability.

As mentioned above, the learning organization utilizes learning mechanisms and a learning culture to create an idealized vision for employees to aspire to. However, the power and politics literature suggests that if employees engage in political behaviour, levels of distrust between employees increase and the organization's learning capability is weakened. Thus, it seems reasonable to suggest that an organization which possesses higher levels of power struggle and politics is less likely to be able to build and effectively implement learning capabilities.

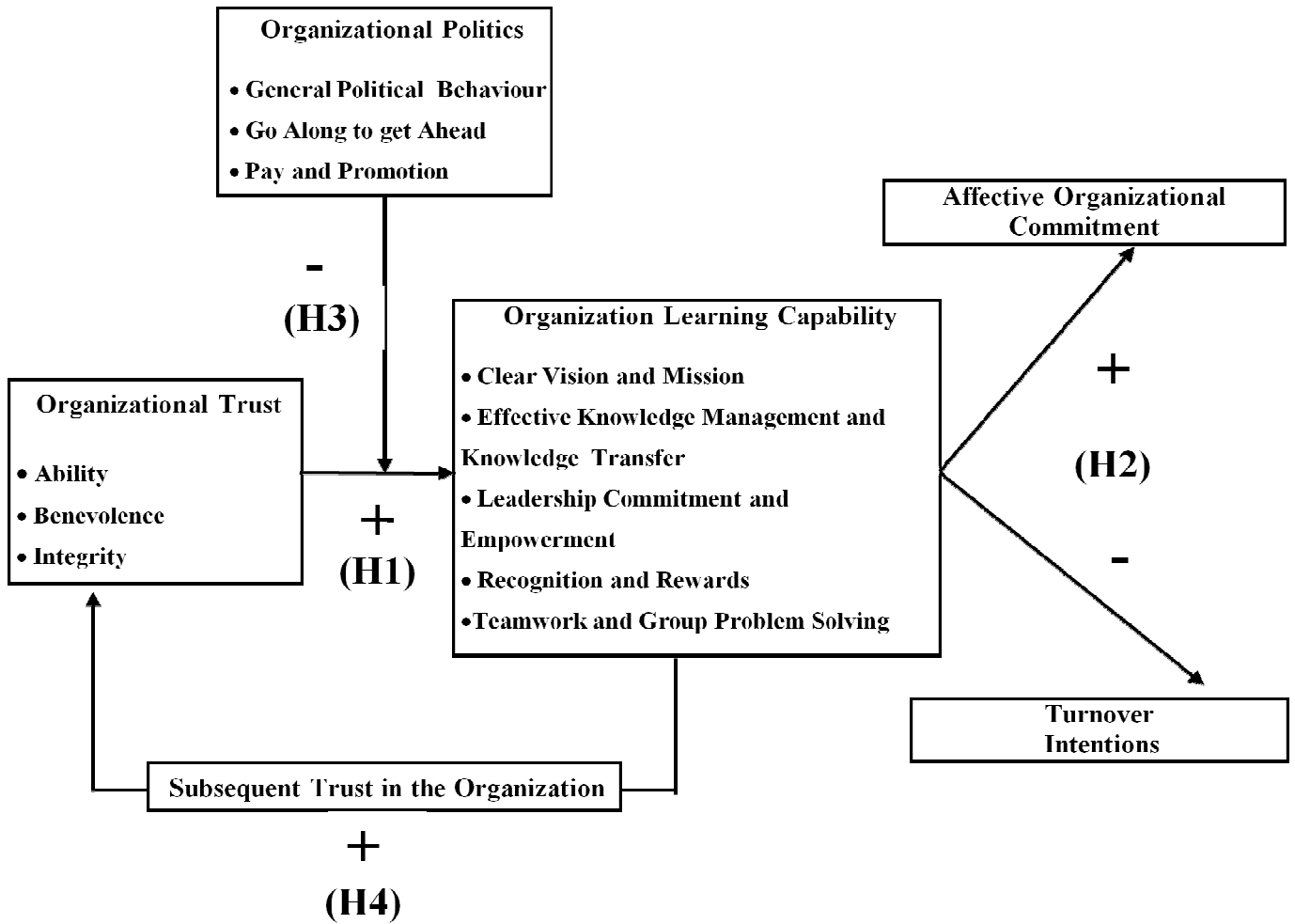
In the next section, an integrative conceptual framework is proposed based on the literature review which includes the use of the organizational politics construct as a moderator variable that significantly influences the relationship between organizational trust and learning capability.

### **An Integrated Conceptual Framework**

This section integrates the conceptualizations, antecedents, and outcomes of trust, the learning organization, and politics into a single framework (Figure 1). The framework was developed after a review of well over 120 empirical studies, but is by no means a complete representation of the organizational trust, politics, and learning literature:

**Figure 1**

*An Integrative Conceptual Framework of the Relationships between the Study Variables*



This framework synergizes the major disciplines of the organizational learning literature by hypothesizing a relationship between social factors such as trust and politics, as well as providing a focus on outcomes such as turnover intentions and affective organizational commitment. As illustrated in the conceptual framework, when organizations contain high levels of trust, they are more likely to successfully build learning capability and move towards becoming a learning organization. Furthermore, organizations containing high

levels of organizational trust are less likely to possess any influential power struggles or political manipulations that would have a significant impact on the organization's ability to transform into a learning entity.

However, organizations that possess higher levels of power and politics are more likely to have a weak relationship between organizational trust and learning capability. This study proposes that the organizational politics construct represents a moderator variable. This is because organizational politics can cause distrust or failure to learn and thus may have an indirect influence on the proposed relationship between trust and learning capability. Furthermore, organizational politics is described as a moderator variable because the level of power and politics within the organization is measured via employees' perceptions that such activity occurs. Thus, there will be certain situations in which political activity and power struggle are perceived as having a significant impact on an organization, as well as certain situations in which such phenomenon are perceived as having minimal influence.

Many previous studies have also used the organizational politics construct as a moderator variable (Hochwarter et al., 2000; Valle and Witt, 2001; Kiewitz et al., 2002). Moreover, this study suggests that organizational politics is a moderator variable because in situations where higher levels of conflict and power struggle are identified, organizations are more likely to experience difficulty in building organizational trust and learning is less likely to occur. Overall, this study hypothesizes that organizational politics moderates the relationship between organizational trust and learning capability such that in situations involving greater political activity, the relationship between trust and learning capability is weakened.

If an organization resembles a learning entity, it is more likely to generate affective

organizational commitment amongst employees and also to decrease employees' turnover intentions. Also, the conceptual framework hypothesizes that as an organization resembles a learning entity, a reinforcing effect occurs whereby employee trust in the organization is amplified. This relationship is illustrated by using a feedback loop that links learning capability to subsequent organizational trust, which in turn is connected to organizational trust. In essence, the feedback loop illustrates the potential mediating effect that subsequent organizational trust may have on the relationship between organizational learning capability and organizational trust. This is because employees are likely to perceive the investments made by learning organization as a representation of their value to the firm. Furthermore, the strategies and initiatives utilized by learning organizations are expected to enhance employees' perceptions that the organization has ability, benevolence, and integrity; thus making the organization appear more trustworthy. When employees perceive that they are being invested in by the organization, they are more likely to trust management and the organization.

In the following sections, the proposed linkages between organizational learning capability, trust, and politics based on the literature to support the hypothesized relationships to be tested in this study will be tested. More specifically, the following sections will discuss how organizational trust interacts with each of the key learning capabilities of a learning organization. In addition, the following sections propose that organizational politics moderates the relationship between trust and learning capability such that situations of significant power struggle and political activity weaken the relationship between trust and learning capability.

**Trust, clear vision and mission, and politics.** Firstly, it is proposed that a strong

culture of trust allows management to implement and operate a transparent learning organization model. More specifically, a strong culture of trust allows the organization to develop and communicate clearly a vision and mission statement that has a true purpose by providing employees with opportunities to learn and grow within the organization. Taken holistically, the literature suggests that employees are more likely to “buy-in” and support the organization’s vision and mission if they trust their employer. However, if employees perceive that there is a strong political presence in the workplace, they are less likely to perceive management as possessing the benevolence or integrity to clearly communicate the vision and mission statements. The literature seems to suggest that in this case, employees will not trust management nor support the organization’s vision and mission statements.

**Trust, leadership commitment and empowerment, and politics.** Secondly, it is proposed that organizations which possess a competent management regime dedicated to the process of becoming a learning organization is more likely to possess lower levels of organizational politics. Furthermore, it is proposed that in organizations where leaders are more committed to learning and the development of subordinates, empowerment is more likely to occur and the perception of organizational politics is likely to be less prevalent. In particular, if employees trust their employer and organizational leaders, they are more likely to perceive that their employer and organizational leaders are committed to the growth and sustainability of both the employees and the organization as a whole.

In addition, the presence of organization trust is more likely to embrace employee empowerment and participative decision-making processes. This proposition stems from the fact that both perceived management support (Kiewitz et al., 2002) and participative decision-making (Witt et al., 2000) negatively correlated with organizational politics. This

lends credence to the concepts of leadership commitment and empowerment as potential remedies to the issue of politics.

**Trust, a culture of experimentation and rewards, and politics.** Thirdly, a culture of trust allows the organization to instil confidence in learning practices that involve experimentations and rewards for creativity. Organizational trust will facilitate employee experimentation, generation of new ideas, making mistakes, and challenging the status quo. Rosen et al (2006) suggest that organizations may be able to deliberately control ambiguity and thus lower the perception of workplace politics by creating environments in which employees can make suggestions and receive constructive feedback.

Important to the process of feedback is task conflict, which may be perceived as a form of constructive feedback or a method in which subordinates challenge one another to continuously improve and innovate. Essentially, firm innovation strategy operates best when there is high task conflict and low political activity, underscoring the importance of task conflict and challenging the way that things are done in order to spawn innovation (De Clerq, 2008). These results demonstrate the importance of managers possessing the capacity to balance the fine line between trust, task conflict, and political activity to ensure a high level of innovation and organizational performance.

In addition, employees must believe that management will recognize and reward workers appropriately for creating innovative practices that add value to the organization. Therefore, integrating the elements of feedback, experimentation, reward and recognition for continuous improvement into the culture of the organization is a direct manifestation of the reciprocal trust between employee and management. A culture in which employees are encouraged to actively seek and utilize feedback to improve performance provides

employees with appropriate access to information to make decisions regarding the creation or improvement of services and outputs (London, 2003, Steelman, Levy, & Sell, 2004; Rosen et al., 2006). Therefore, it is proposed that employees' perceptions of organizational politics are lower when employees express greater trust in management and feel comfortable in an experimentation culture.

**Trust, effective transfer of knowledge, and politics.** In a recent study, Clarke (2003) found that increasing status and resources, protecting one's position, and a need to maximize job security were underlying factors that influenced the type and accuracy of information made available by key groups in the organization. This suggests that dominant coalitions may filter the content and control the flow of information within the organization. The dominant coalition disseminates information to certain organizational members depending on the channel available and its ability to build and/or maintain social networks (Sussman, Adams, Kuzmits, & Raho, 2002).

The ability to build organizational trust between subordinates is important because it reduces employees' needs to feel affiliated with a dominant coalition. Organizations can use trust as a mechanism that facilitates the transfer of knowledge across organizational boundaries. If employees perceive their subordinates and managers as trustworthy, they will be more likely to engage in risk-taking behaviours such as sharing knowledge or expertise. Managers can use tactics such as networking, mentoring, and interpersonal influence to inspire employees to share expertise, transfer knowledge, and build the firm's intellectual capital base (Zanzi & O'Neill, 2001; Ferris et al., 2005).

**Trust, teamwork and group problem solving, and politics.** Building on the argument that effective knowledge transfer requires a mutual relationship of trust between

employees, teamwork and group problem solving are most effective when enacted under conditions of trust and reliance. Employees that trust one another are more likely to be comfortable depending on one another for the exchange of information and collaboration of efforts in hopes of solving organizational problems. Employees that perceive their teammates as able, benevolent, and ethical are more likely to trust those teammates' suggestions and contributions to projects.

The encouragement of teamwork also mitigates the need for political activity in an organization (Valle & Witt, 2001). Teamwork encourages coordination between a diverse group of employees and forces employees to be vulnerable to one another. Evidently, one could suggest that the use of horizontal communication mechanisms to support the integration of various departments services the organization well.

### **Summary of the Relationship between Trust, the Learning Organization, and Politics**

This study argues that it is important to address a need for further research on the relationship between organizational trust, politics, and learning. In addition, this study also extends research on power and politics by examining behavioural dimensions as defined by acts of risk-taking and becoming a learning organization. In essence, these acts serve as a behavioural manifestation of trust. Also, this study examines perceptual dimensions as defined by employees' perceptions of organizational politics in the workplace.

Despite a recent study which demonstrated that relationships between organizational politics and certain outcomes are nonlinear and quadratic (Hochwarter, Ferris, Laird, Treadway, & Gallagher, 2010), this conceptual framework proposes that high levels of organizational politics will weaken the strength of the relationship between trust and learning

strategy. The definition of organizational politics used in this study contradicts the principals of trust and ultimately, the learning organization.

In turn, this relationship will yield negative outcomes as employees' turnover intentions will increase and affective organizational commitment will decrease. Alternatively, when employees perceive the level of organizational politics to be insignificant, the relationship between trust and the learning organization is expected to be positive. As a reward for operating under the learning organization model, the firm is expected to build employees' affective commitment to the organization while simultaneously reducing employee turnover intentions. Thus, the learning organization retains its knowledge base and most critical resource: the employee. Furthermore, employees are expected to view investments in organizational learning mechanisms as a symbol of their value to the organization. Thus, the strategies and initiatives characteristic of the learning organization are expected to create a reinforcing effect that amplifies employees' trust in the organization.

### 3. RESEARCH QUESTIONS AND HYPOTHESES

The purpose of the proposed research project is to empirically explore a series of relationships involving the organizational trust, politics, and learning constructs. Furthermore, the study will explore the potential influence that organizational learning capability may have on important outcome variables including employee turnover intentions and affective organizational commitment. As a result, the following research questions have been derived:

1. Do organizational trust and organizational politics influence organizational learning capability?
2. Does the learning organization function as a mediator that links organizational trust to outcome variables (affective organizational commitment and turnover intentions)?
3. Does organizational politics represent a moderating variable that can have a significant impact on the relationship between trust and the learning organization?
4. Is the relationship between trust and learning capability reinforcing? That is, does subsequent trust in the organization mediate the relationship between organizational learning capability and organizational trust?

## **Hypotheses**

H1: Organizational trust is an antecedent to organizational learning capability.

H2: (a) Organizational learning capability mediates the relationship between organizational trust and affective organizational commitment.

(b) Organizational learning capability mediates the relationship between organizational trust and turnover intentions.

H3: Organizational politics will moderate the relationship between organizational trust and organizational learning capability such that high levels of organizational politics will weaken the relationship between organizational trust and organizational learning capability.

H4: The relationship between organizational trust and learning capability has a reinforcing effect such that subsequent trust in the organization mediates the relationship between organizational learning capability and organizational trust.

## 4. METHODOLOGY

The following section will outline the study's sample, measures, and data collection.

### Sample

Recruitment of the organizations began by contacting an employee in a number of different organizations. An electronic information package explaining the purpose, objectives, and relevance of the study was sent to each of the contacted employees, along with a request for their organization's participation. Overall, six different organizations operating in the public, private, or healthcare sectors agreed to participate in the study and permitted data collection. As indicated in table 2, the total sample size was 234 employees (82 Private, 128 Public, and 24 Health Care):

**Table 2**  
*Participants by Sector*

	Frequency	Percent	Cumulative Percent
Private	82	35.0	35.0
Public	128	54.7	89.7
Health Care	24	10.3	100.0
Total	234	100.0	

In addition, the study also measured the years of service (tenure) that each employee had with their particular organization. Results showed that tenure varied across the sample ( $M = 10.9384$ ,  $SD = 9.47$ ). Other demographics measured in the study included the number of employees that were managers, employee gender, employee education level, union

membership, and employee membership in a designated group as identified by the Canadian Charter of Human Rights (woman, visible minority, a person with a disability, and/or an aboriginal person). Table 3 provides a summary of the study sample's characteristics which is quite heterogeneous:

**Table 3**

*Sample Characteristics*

<b>Characteristic</b>	<b>Descriptor</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Number of Managers	No	122	52.1	52.1
	Yes	112	47.9	100
Gender	Male	155	66.2	66.2
	Female	79	33.8	100
Education level	High School	29	12.4	12.4
	College/CEGEP	56	23.9	36.3
	University	112	47.9	84.2
	Master's	37	15.8	100
Employees in Union	No	125	53.4	53.4
	Yes	104	44.4	97.9
	I don't know	5	2.1	100
Employees in Designated Group	No	158	67.5	67.5
	Yes	76	32.5	100

## Data Collection and Measures

The survey was first developed as a paper-based tool that was later adapted to an online format. The survey was constructed by amalgamating six different questionnaires designed by researchers. The authors and variable measured in each questionnaire are listed below in table 4 (please see Appendix A for a full version of the online survey):

**Table 4**

*Summary of the Variables Measured in the Study*

Source	Measures (# of items)
Robinson (1996)	Organizational Trust (7)
Kacmar and Carlson (1997)	Organizational Politics (12)
Goh and Richards (1997)	Organizational Learning Capability (18)
Meyer et al. (1993)	Affective Organizational Commitment (4)
Poon (2003)	Turnover Intentions (3)
Tirelli (2010)	Subsequent Organizational Trust (7)

In addition, seven demographic questions were added to the survey to measure and control for participant tenure, gender, management status, union membership, education level, designated group membership, and what sector the employee works in. With respect to survey construction, the first question of the survey represented a consent form which outlined privacy, confidentiality, anonymity, and data conservation policies as agreed upon by the researcher and the University of Ottawa. Participants were asked to answer “I agree” or “I do not agree” to the consent form question. If participants answered “I agree”, the remainder of the survey was opened for completion. However, if participants selected “I do

not agree”, they were not allowed to answer the remaining questions.

Following recommendations outlined by Andrews, Nonnecke, and Preece (2003), the demographic questions were placed at the start of the survey. This allows researchers to collect participant descriptions and provides participants with easy-to-answer, “warm-up” questions that precede the more difficult questions later on in the survey (Andrews, Nonnecke, & Preece, 2003). The online survey was easy to follow, logical, and easy to access for participants. The background colours were soft blue to make viewing the questionnaire easy on the eyes, while the survey text was bold and black to ensure it was easy to read. Questions were worded in a clear and concise manner. In order to confirm the construction effectiveness, the survey was sent out to a small group of participants as a pilot study.

Specifically, 10 participants received and completed the study and were asked to provide feedback regarding question clarity, colour schemes, comprehension, and length of time needed to complete survey. All 10 participants completed the survey and provided feedback. All of the feedback was positive and participants confirmed that the survey was clear, concise, and easy to understand. Furthermore, participants indicated that the survey took “approximately 10 minutes” to complete.

Once the online survey was finalized, an email template that described the study and invited employees to voluntarily participate by completing the online survey was created. The invitation email (containing survey link) was sent to a contact person at each participating organization. This contact person was given the task of distributing the survey to employees within their organization. After each organization had access to the survey for a period of one week, a second email reminding employees to complete the survey was sent

out to each organization. Due to the differences in organizations' flexibility and availability, total data collection took approximately one month to complete.

The mean values for the study variables were used for statistical analysis. A formula representing this method can be represented by:

$$\mu = \frac{\sum_{i=1}^n s_i}{n}, \text{ where } \mu = \text{the average score or observation value for each variable}$$

$s$  = the score of each question on the variable's survey

$n$  = the total number of questions on the variable's survey

The following sections describe the measures used in this study.

**Organizational Trust.** Organizational Trust measures employees trust in their employer and provides an organizational-level measure of the trust construct. The scale was developed by Robinson (1996) and Cronbach's Alpha for this sample was low at 0.580 (Table 5). Cronbach's Alpha measures how well a set of items measures a single unidimensional latent construct. A subsequent reliability analysis examining the organizational trust construct was conducted in hopes of improving the reliability of the scale. In particular, inter-item correlations, descriptive statistics for the Robinson (1996) scale, scale items, and scale items if deleted were investigated:

**Table 5**  
*Reliability Statistics for Organizational Trust*

Cronbach's Alpha	Standardized Items	N of Items
<b>.580</b>	.648	<b>7</b>

The item statistics reveal that item seven is an outlier because the mean value for that particular item is noticeably lower than the other items:

**Table 6**  
*Item Statistics for Organizational Trust*

	Mean	Std. Deviation	N
T1	3.7350	.95291	234
T2	3.7692	1.00969	234
T3	3.2350	1.18298	234
T4	3.9872	.85156	234
T5	3.7051	1.06978	234
T6	3.4274	.95222	234
<b>T7</b>	<b>2.6368</b>	<b>1.15741</b>	<b>234</b>

Furthermore, the inter-item correlations reveal that item seven has a negative correlation with the other six items. This is strange because despite being a reverse scored item, items three and five are also reverse scored but have positive relationships with the remaining items included in the questionnaire:

**Table 7*****Inter-Item Correlation Matrix for Organizational Trust Items***

	T1	T2	T3	T4	T5	T6	T7
T1	1.000	.703	.436	.588	.399	.683	-.625
T2	.703	1.000	.606	.725	.469	.710	-.707
T3	.436	.606	1.000	.446	.520	.547	-.705
T4	.588	.725	.446	1.000	.406	.621	-.575
T5	.399	.469	.520	.406	1.000	.356	-.576
T6	.683	.710	.547	.621	.356	1.000	-.657
<b>T7</b>	<b>-.625</b>	<b>-.707</b>	<b>-.705</b>	<b>-.575</b>	<b>-.576</b>	<b>-.657</b>	<b>1.000</b>

The data suggests that it may be best to remove item seven from the organizational trust questionnaire and thus represent the construct using only items one through six. A further analysis revealing the Cronbach's Alpha if each item is deleted illustrates the effects that such a solution would have on the reliability of the measure:

**Table 8*****Organizational Trust Item-Total Statistics***

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
T1	20.7607	9.934	.660	.588	.411
T2	20.7265	9.015	.787	.723	.345
T3	21.2607	9.464	.542	.555	.434
T4	20.5085	10.371	.677	.559	.423
T5	20.7906	10.484	.459	.377	.479
T6	21.0684	9.781	.692	.620	.398
<b>T7</b>	<b>21.8590</b>	<b>22.439</b>	<b>-.818</b>	<b>.686</b>	<b>.874</b>

The results of the reliability analysis reveal that if item seven is deleted from the questionnaire, the Cronbach's Alpha for the Organizational Trust measure would improve significantly to 0.874. As a result, item seven was deleted and the measure now contains six items, which yielded  $\alpha = 0.87$  for this sample, and used a 5-point scale (i.e., 1 = Strongly Disagree and 5 = Strongly Agree). The higher the score, the more employees trust their employer/organization.

**Organizational Politics.** Kacmar and Carlson's (1997) revised version of the Perception of Organizational Politics Scale (POPS) was used in this study to measure how politically charged employees perceive their work environment to be. The original POPS was first developed by Ferris and Kacmar' (1992) in their seminal study that examined political activity in organizations. As the organizational politics literature grew, the original scale was revised and a more parsimonious 12 item survey instrument that measured three main factors (general political behaviour, go along to get ahead, and pay and promotion) was produced (Kacmar & Carlson, 1997). For this sample,  $\alpha = 0.89$  and the questions used a 5-point scale (i.e., 1 = Strongly Disagree and 5 = Strongly Agree). A higher score indicated that employees perceived their organization as politically charged.

**Organizational Learning Capability.** A revised version of the Organizational Learning Survey (OLS) (Goh, Quon, & Cousins, 2007; Goh & Richards, 1997) was used to measure the learning capability of organizations. The OLS provides a systematic approach to measure each of the five key learning capabilities of a learning organization: clarity of vision and mission, leadership, experimentation, transfer of knowledge, teamwork and group problem solving. The measure contained 18 items, yielded  $\alpha = 0.92$  for this sample, and used a 5-point scale (i.e., 1 = Strongly Disagree and 5 = Strongly Agree). A higher score

meant that employees perceived their organization as possessing greater learning capabilities.

**Affective Organizational Commitment (AOC).** AOC was measured using a four item subscale of the Organizational Commitment survey (Meyer, Allen, & Smith, 1993). The four items reflect a person's emotional attachment to, identification with, and involvement in a particular organization (Meyer et al., 1993). The subscale was selected as the instrument because it includes measures of both normative and continuance organizational commitment items, which are outside the scope of this study. Overall, the measure yielded  $\alpha = 0.90$  for this sample and used a 5-point scale (i.e., 1 = Strongly Disagree and 5 = Strongly Agree). A higher score indicated that employees felt greater attachment to their organization and they work there because they want to.

**Turnover Intentions (TI).** TI measured the extent to which an employee wishes to leave his/her organization or intends to quit (Poon, 2003). The original four-item measure had  $\alpha = 0.69$  for this sample. However, an item-analysis revealed that if item four was deleted, the reliability would increase to  $\alpha = 0.85$ . Accordingly, this study used the three-item measure with a 5-point scale (i.e., 1 = Strongly Disagree and 5 = Strongly Agree). A higher score indicated employees were more likely to quit or leave the organization.

**Subsequent Organizational Trust (SOT).** The SOT scale was developed for this study and measures the reinforcing effect of trust that is produced by specific organizational initiatives that are influenced by organizational learning and transparency. The scale contained seven items, yielded  $\alpha = 0.91$ , and used a 5-point scale (i.e., 1 = Strongly Disagree and 5 = Strongly Agree). A higher score indicated that employees perceived their organizations as trustworthy based on the organizations' ability to effectively use specific initiatives and strategies to build a trustworthy image.

## 5. RESULTS

### **Analysis of Data**

**Multiple regression analysis.** The study uses primarily multiple regression analysis as it is the one of the most widely used forms of analysis of dependence (Lattin, Carroll, & Green, 2003). In addition, multiple regression analysis is a robust way to analyze data for description, inference, and prediction purposes regarding the exploration of a set of independent and dependent variables (Lattin et al., 2003). In this study, the dependent (y) and independent variables (x) will differ depending on the type of analysis performed (i.e. hierarchical moderated regression analysis or mediation analysis). Multiple regression analysis will be used specifically to assess the primary relationships between the variables described in the study. In addition to the demographic variables above, the study also measured employees' perceptions of organizational trust, organizational politics, organizational learning, affective organizational commitment, turnover intentions, and subsequent organizational trust. Table 9 provides details regarding the descriptive statistics used in the study:

**Table 9*****Descriptive Statistics of Study Variables***

	N	Minimum	Maximum	Mean	Std. Deviation
Organizational Trust	234	1.00	5.00	3.6432	.78950
Organizational Learning Capability	234	1.22	5.00	3.3208	.67263
Organizational Politics	234	1.33	5.00	2.9099	.72897
Affective Organizational Commitment	234	1.00	5.00	3.4722	1.01717
Turnover Intentions	234	1.00	5.00	2.2308	.93413
Subsequent Organizational Trust	234	1.29	5.00	3.5861	.79278
Valid N (listwise)	234				

As illustrated in table 9, the wide range of means amongst the variables indicated a nice dispersion of the data: trust ( $M = 3.64$ ,  $SD = 0.79$ ), organizational learning capability ( $M = 3.32$ ,  $SD = 0.67$ ), organizational politics ( $M = 2.91$ ,  $SD = 0.72$ ), affective organizational commitment ( $M = 3.47$ ,  $SD = 1.02$ ), turnover intentions ( $M = 2.23$ ,  $SD = 0.93$ ), and subsequent organizational trust ( $M = 3.59$ ,  $SD = 0.79$ ). Table 10 is a summary of the intercorrelations between the variables in the study:

**Table 10**

**Correlations among Variables in the Study**

	1	2	3	4	5	6	7	8	9	10	11	12
1. Sector												
2. Tenure	.12											
3. Manager	<b>.16*</b>	<b>.22**</b>										
4. Gender	<b>.20**</b>	-.09	-.09									
5. Union	<b>.18**</b>	.07	<b>-.17*</b>	-.00								
6. Education	.08	<b>-.25**</b>	<b>.23**</b>	<b>.13*</b>	-.08							
7. DG	<b>.26**</b>	-.07	-.04	<b>.66**</b>	.04	<b>.24**</b>						
8. Trust	-.01	.06	.07	.02	-.11	<b>.17*</b>	.05					
9. Learning	.07	.08	<b>.14*</b>	.05	<b>-.19**</b>	<b>.16*</b>	.10	<b>.75**</b>				
10. Politics	-.01	-.04	-.08	-.04	<b>.16*</b>	<b>-.13*</b>	-.03	<b>-.72**</b>	<b>-.82**</b>			
11. AOC	.075	<b>.26**</b>	<b>.14*</b>	.03	-.07	.12	.04	<b>.69**</b>	<b>.69**</b>	<b>-.62**</b>		
12. TI	.013	<b>-.28**</b>	-.06	.09	-.06	.08	.10	<b>-.50**</b>	<b>-.45**</b>	<b>.48**</b>	<b>-.62**</b>	
13. SOT	.053	<b>.14*</b>	.10	.03	-.07	<b>.13*</b>	.03	<b>.82**</b>	<b>.85**</b>	<b>-.81**</b>	<b>.74**</b>	<b>-.59**</b>

\* p < 0.05 (2-tailed)

\*\* p < 0.01 (2-tailed)

As illustrated in table 10, the study yields a number of interesting relationships among variables that are statistically significant. For the purpose of parsimony, the following paragraphs will discuss only the statistically significant relationships involving the main variables in the study: organizational trust, organizational learning capability, organizational politics, affective organizational commitment, turnover intentions, and subsequent organizational trust.

There were a number of significant correlations between some of the control variables and the main variables in the study. Firstly, tenure significantly correlated with affective organizational commitment ( $r = .26, p < 0.01$ ), turnover intentions ( $r = -.28, p < 0.01$ ), and subsequent organizational trust ( $r = .14, p < 0.05$ ). As expected, these findings imply that employees who have been working in an organization for a longer period of time are more likely to be emotionally attached to their organization, less likely to leave their organization, and more likely to believe that their organization has an image that is “trustworthy”. Another control variable that has some significant relationships was manager. Specifically, managers in this study were more likely to be emotionally attached to their organization ( $r = .14, p < 0.05$ ) and believe that their organization utilized learning capabilities ( $r = .14, p < 0.05$ ).

In addition, employees who were members of a work union reported that their organizations did not use learning capabilities ( $r = -.19, p < 0.01$ ) and were more political ( $r = .16, p < 0.05$ ). These findings seem plausible for a number of reasons. First, many of the unionized employees in this study worked in large, bureaucratic organizations. Such companies tend to have more standardized procedures, greater formalization, and specialized positions where employees concentrate on a few tasks. These employees may not have to

work to work in teams, transfer knowledge across boundaries, or develop innovative solutions on a consistent basis. Furthermore, unions protect employees and provide a transparent working environment. Thus, unionized work environments usually feature a cultural divide between “subordinates” and “management”. Thus, this mentality may predispose employees to perceive their organization as political because it is the subordinates, represented by a union, “against” management, often not supported by a union.

The other control variable that exhibited significant correlations with the main variables in this study was education. In particular, results indicated that employees with higher levels of education were more likely to trust the organization ( $r = .17, p < 0.05$ ), believe the organization possessed learning capabilities ( $r = .16, p < 0.05$ ), believe their organization’s image was trustworthy ( $r = .13, p < 0.05$ ), and fail to perceive their organization as political ( $r = -.13, p < 0.05$ ). These findings may suggest that employees with higher levels of education are more likely to recognize the importance of organizational learning, as well as hold influential positions within the organization. Thus, these employees are more likely to trust their organization because they are an integral part of operations. I will now discuss the intercorrelations of the main variables in the study.

Firstly, organizational trust significantly correlated with organizational learning ( $r = .75, p < 0.01$ ), organizational politics ( $r = -.72, p < 0.01$ ), affective organizational commitment ( $r = .69, p < 0.01$ ), turnover intentions ( $r = -.50, p < 0.01$ ), and subsequent organizational trust ( $r = .82, p < 0.01$ ). As predicted, organizational trust correlated positively with affective organizational commitment and negatively with turnover intentions. Thus, employees who trust their organization are more likely to be emotionally attached to their organization and less likely to leave it for another position elsewhere.

Organizational learning capability significantly negatively correlated with organizational politics ( $r = -.82, p < 0.01$ ) and turnover intentions ( $r = -.45, p < 0.01$ ), and significantly positively correlated with affective organizational commitment ( $r = .69, p < 0.01$ ), and subsequent organizational trust ( $r = .85, p < 0.01$ ). The results indicate that subjects who perceive their organizations to be learning organizations tend to be emotionally invested in the organization, as well as believe in the strategies and practices used to achieve organizational objectives. Furthermore, employees of learning organizations appear to have lower turnover intentions and perceive their organization as more trustworthy.

Organizational politics also significantly negatively correlated with affective organizational commitment ( $r = -.62, p < 0.01$ ), subsequent organizational trust ( $r = .81, p < 0.01$ ), and positively correlated with turnover intentions ( $r = .48, p < 0.01$ ). The results suggest that the malignant environment associated with organizational politics, as defined in the context of this study, is indeed destructive to the organization. In particular, when the organization is perceived as politically charged, employees are less likely to be committed to the organization and are more likely to leave if given the opportunity.

In addition to the relationships outlined above, affective organizational commitment correlated negatively with turnover intentions ( $r = -.62, p < 0.01$ ) and positively with subsequent organizational trust ( $r = .74, p < 0.01$ ), while subsequent organizational trust was negatively correlated with turnover intentions ( $r = -.59, p < 0.01$ ). These results suggest that employees who are committed to their organization are also more willing to place a conscious dependence in their organization.

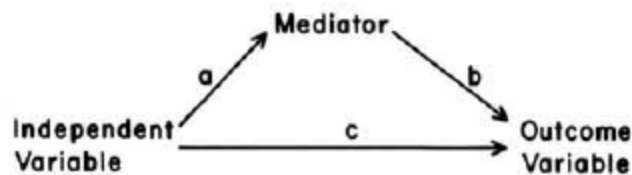
### **Mediation Testing**

This study will utilize mediation testing to examine hypotheses 1 and 2a by exploring

the relationship between organizational trust, learning capability, and affective organizational commitment. This study will also utilize mediation testing to examine hypothesis 2b- the relationship between organizational trust, learning capability, and turnover intentions, as well as hypothesis 4 which explores the relationship between organizational learning capability, subsequent organizational trust, and organizational trust. Mediator variables can best be explained in terms of an active organism intervening between stimulus and response (Baron and Kenny, 1986):

**Figure 2**

***The Basic Functioning of a Mediating Relationship between Three Variables***



In order to test for mediation, a series of regression models must be estimated. For example, consider Hypothesis 2a which will estimate three regression models: first, regress the mediator (organizational learning capability) onto the independent variable (organizational trust); second, regress the dependent variable (affective organizational commitment) on the independent variable (organizational trust); third, regress the dependent variable on both the independent variable (organizational trust) and on the mediator (learning capability)(Baron and Kenny, 1986).

After the three regression models have been estimated, the following conditions must be met in order to establish mediation: first, the independent variable (organizational trust) must affect the mediator (learning capability) in the first equation; second, the independent

variable (organizational trust) must affect the dependent variables (turnover intentions and affective organizational commitment); and third, the mediator (learning capability) must affect the dependent variable (affective organizational commitment) in the third equation (Baron and Kenny, 1986). In cases of perfect mediation, the independent variable has no effect on the dependent variable when the mediator is controlled. In cases of partial mediation, the independent variable may still retain a significant relationship with the dependent variable- although the strength of the relationship will be reduced after inclusion of the mediator.

Baron and Kenny (1986) suggest that the complexity of social science or behavioural phenomena lend credence to the result of partial mediation. In fact, Baron and Kenny (1986) indicate that most researchers examining social or behavioural relationships are more likely to find evidence of partial mediation rather than full mediation. This is because people are complex organisms, and the linkages between an individual and their behaviour can rarely be explained by only one variable. As a result, most areas of social or behavioural phenomena have multiple causes that determine a particular outcome and hence, a more realistic research goal may be to seek mediators that significantly reduce the strength of the relationship between the independent and dependent variables, rather than eliminating the relationship altogether (Baron & Kenny, 1986). From a theoretical perspective, a significant reduction demonstrates that a given mediator is indeed present, albeit not a necessary condition for an effect to occur (Baron & Kenny, 1986). Indeed, evidence of partial mediation suggests that a researcher has identified one factor or cause to a given outcome, while simultaneously acknowledging that other latent factors or causes exist.

To further support the results of the study, each regression will also feature an

analysis that tests for multicollinearity which will identify a problem if one predictor variable ( $x_k$ ) is close to being a linear combination of the other predictor variables (Lattin et al., 2003). It is important to test for multicollinearity because this issue results in unstable regression coefficients; essentially, the values of the coefficients can change radically from sample to sample. In order to properly gauge for issues of multicollinearity in the data, we will assess the tolerance levels, the Variance Inflation Factors (VIFs), and the Condition Indexes (CI) of the data. If any of the tolerance levels are less than 0.01, multicollinearity problems may occur. Also,  $VIF_k$  values  $> 10$  are considered “potential” problems, whereas  $VIF_k$  values  $> 100$  are considered “severe” problems (Lattin et al., 2003). Finally, CI values for each variable that are greater than 30 indicate a potential problem.

**Hypothesis 1: Test of organizational trust as an antecedent to organizational learning capability.** As suggested by Baron and Kenny (1986), the following regression equations were obtained:

$$\textit{Regression 1. Organizational Learning Capability} = b_0 + (b_1\textit{Sector} + b_2\textit{Tenure} + b_3\textit{Manager} + b_4\textit{Gender} + b_5\textit{Union} + b_6\textit{Education} + b_7\textit{DesignatedGroup}) + b_8\textit{Organizational Trust} + \varepsilon$$

This regression produced an  $R^2_{\text{adj}}$  of .575 and represented a good fit to the data ( $F = 40.39$ ,  $p < 0.001$ ). The regression produced a significant coefficient for organizational trust ( $\beta = .729$ ,  $t = 16.641$ ,  $p < 0.001$ ) in the intended direction. Also, a significant coefficient for union ( $\beta = -.116$ ,  $t = -2.597$ ,  $p < 0.05$ ) was produced. Results from the multicollinearity diagnostics reveal that all tolerance levels are greater than 0.01., none of the VIF values were greater than 10, and none of the  $CI_k$  values were less than 30. Overall, analysis of each variable’s tolerance levels, VIFs, and CIs revealed no signs of multicollinearity and hence,

the behaviour of any variable  $x_k$  was not replicated by the behaviours of other variables.

$$\textbf{Regression 2. Affective Organizational Commitment} = b_0 + (b_1\textit{Sector} + b_2\textit{Tenure} + b_3\textit{Manager} + b_4\textit{Gender} + b_5\textit{Union} + b_6\textit{Education} + b_7\textit{DesignatedGroup}) + b_8\textit{Organizational Trust} + \varepsilon$$

This regression produced an  $R^2_{\text{adj}}$  of .519 and represented a good fit to the data ( $F = 32.376$ ,  $p < 0.001$ ). The regression produced a significant regression coefficient for organizational trust ( $\beta = .665$ ,  $t = 14.265$ ,  $p < 0.001$ ) in the intended direction. Also, a significant regression coefficient for tenure ( $\beta = .232$ ,  $t = 4.642$ ,  $p < 0.001$ ) was produced. Results from the multicollinearity diagnostics reveal that all tolerance levels are greater than 0.01., none of the VIF values were greater than 10, and none of the  $CI_k$  values were less than 30. Overall, analysis of each variable's tolerance levels, VIFs, and CIs revealed no signs of multicollinearity and hence, the behaviour of any variable  $x_k$  was not replicated by the behaviours of other variables.

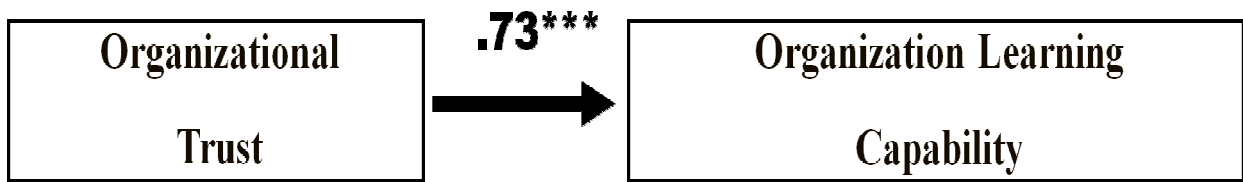
$$\textbf{Regression 3. Affective Organizational Commitment} = b_0 + (b_1\textit{Sector} + b_2\textit{Tenure} + b_3\textit{Manager} + b_4\textit{Gender} + b_5\textit{Union} + b_6\textit{Education} + b_7\textit{DesignatedGroup}) + b_8\textit{Organizational Trust} + b_8\textit{Organizational Learning Capability} + \varepsilon$$

This regression produced an  $R^2_{\text{adj}}$  of .578 and represented a better fit to the data ( $F = 36.438$ ,  $p < 0.001$ ). The regression produced a significant coefficient for organizational trust ( $\beta = .389$ ,  $t = 5.959$ ,  $p < 0.001$ ) and organizational learning capability ( $\beta = .379$ ,  $t = 5.708$ ,  $p < 0.001$ ) in the intended direction. The regression coefficient for organizational trust was still significant, albeit much less so after organizational learning capability was controlled for.

Also, the regression produced a significant coefficient for Tenure ( $\beta = .221$ ,  $t = 4.718$ ,  $p < 0.001$ ). Results from the multicollinearity diagnostics reveal that all tolerance levels are greater than 0.01., none of the VIF values were greater than 10, and none of the  $CI_k$  values were less than 30. Overall, analysis of each variable's tolerance levels, VIFs, and CIs revealed no signs of multicollinearity and hence, the behaviour of any variable  $x_k$  was not replicated by the behaviours of other variables. Overall, the analysis provides support for hypothesis 1 and confirms that organizational trust is an antecedent to organizational learning capability (Figure 3):

**Figure 3**

*Organizational Trust is an Antecedent to Organizational Learning Capability (Support for H1)*



**\*\*\* P < 0.001**

**Hypothesis 2a: Test of mediation for the relationship between organizational trust, learning capability, and affective organizational commitment.** As suggested by Baron and Kenny (1986), the following regression equations were obtained:

**Regression 1:** *Organizational Learning Capability* =  $b_0 + (b_1\text{Sector} + b_2\text{Tenure} + b_3\text{Manager} + b_4\text{Gender} + b_5\text{Union} + b_6\text{Education} + b_7\text{DesignatedGroup}) + b_8\text{Organizational Trust} + \varepsilon$

This regression produced an  $R^2_{\text{adj}}$  of .575 and represented a good fit to the data ( $F = 40.39$ ,  $p < 0.001$ ). The regression produced a significant coefficient for organizational trust ( $\beta = .729$ ,  $t = 16.641$ ,  $p < 0.001$ ) in the intended direction. Also, a significant coefficient for union ( $\beta = -.116$ ,  $t = -2.597$ ,  $p < 0.05$ ) was produced. Results from the multicollinearity diagnostics reveal that all tolerance levels are greater than 0.01., none of the VIF values were greater than 10, and none of the  $CI_k$  values were less than 30. Overall, analysis of each variable's tolerance levels, VIFs, and CIs revealed no signs of multicollinearity and hence, the behaviour of any variable  $x_k$  was not replicated by the behaviours of other variables.

**Regression 2.** *Affective Organizational Commitment* =  $b_0 + (b_1\text{Sector} + b_2\text{Tenure} + b_3\text{Manager} + b_4\text{Gender} + b_5\text{Union} + b_6\text{Education} + b_7\text{DesignatedGroup}) + b_8\text{Organizational Trust} + \varepsilon$

This regression produced an  $R^2_{\text{adj}}$  of .519 and represented a good fit to the data ( $F = 32.376$ ,  $p < 0.001$ ). The regression produced a significant regression coefficient for organizational trust ( $\beta = .665$ ,  $t = 14.265$ ,  $p < 0.001$ ) in the intended direction. Also, a significant regression coefficient for tenure ( $\beta = .232$ ,  $t = 4.642$ ,  $p < 0.001$ ) was produced. Results from the multicollinearity diagnostics reveal that all tolerance levels are greater than 0.01., none of the VIF values were greater than 10, and none of the  $CI_k$  values were less than 30. Overall, analysis of each variable's tolerance levels, VIFs, and CIs revealed no signs of

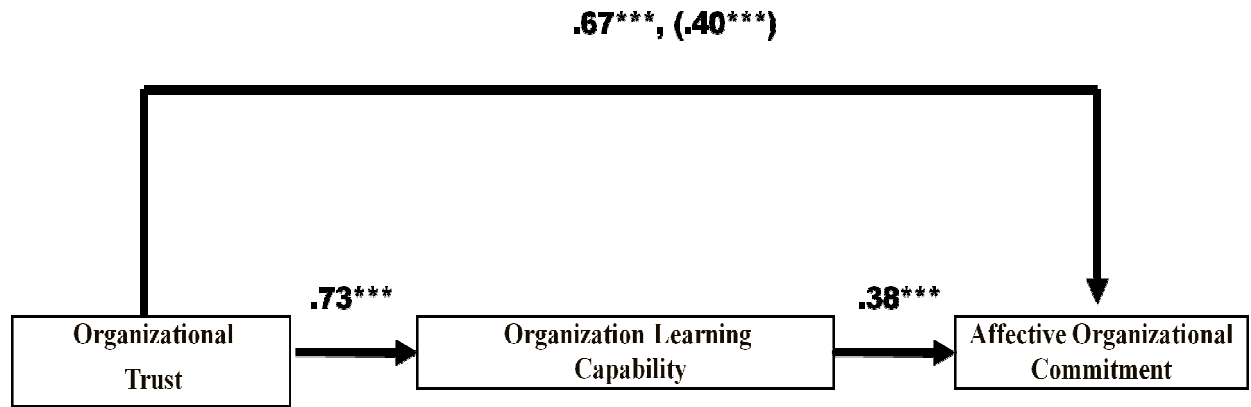
multicollinearity and hence, the behaviour of any variable  $x_k$  was not replicated by the behaviours of other variables.

$$\textbf{Regression 3. Affective Organizational Commitment} = b_0 + (b_1\text{Sector} + b_2\text{Tenure} + b_3\text{Manager} + b_4\text{Gender} + b_5\text{Union} + b_6\text{Education} + b_7\text{DesignatedGroup}) + b_8\text{Organizational Trust} + b_8\text{Organizational Learning Capability} + \varepsilon$$

This regression produced an  $R^2_{\text{adj}}$  of .578 and represented a better fit to the data ( $F = 36.438$ ,  $p < 0.001$ ). The regression produced a significant coefficient for organizational trust ( $\beta = .389$ ,  $t = 5.959$ ,  $p < 0.001$ ) and organizational learning capability ( $\beta = .379$ ,  $t = 5.708$ ,  $p < 0.001$ ) in the intended direction. The regression coefficient for organizational trust was still significant, albeit much less so after organizational learning capability was controlled for. Also, the regression produced a significant coefficient for Tenure ( $\beta = .221$ ,  $t = 4.718$ ,  $p < 0.001$ ). Results from the multicollinearity diagnostics reveal that all tolerance levels are greater than 0.01., none of the VIF values were greater than 10, and none of the  $CI_k$  values were less than 30. Overall, analysis of each variable's tolerance levels, VIFs, and CIs revealed no signs of multicollinearity and hence, the behaviour of any variable  $x_k$  was not replicated by the behaviours of other variables. Overall, the analysis provides empirical evidence that organizational learning capability mediates the relationship between organizational trust and affective organizational commitment, supporting hypothesis 2a (Figure 4):

**Figure 4**

*Organizational Learning Capability Mediates the Relationship between Organizational Trust and Affective Organizational Commitment (Support for H2a)*



**Unmediated  $\beta$  coefficient, (Mediated  $\beta$  coefficient)**

**\*\*\* P < 0.001**

Next, the results for hypothesis 2b which proposes that organizational learning capability will mediate the relationship between organizational trust and turnover intentions, are presented.

**Hypotheses 2b: Test of mediation for the relationship between organizational trust, learning capability, and turnover intentions.** For the results of the first regression in this test, please refer to *Regression 1* above as the independent variable (organizational trust) and mediator variable (organizational learning capability) are the same in this test. Results from Regressions 2 and 3 follow:

**Regression 2.**  $Turnover\ Intentions = b_0 + (b_1Sector + b_2Tenure + b_3Manager + b_4Gender + b_5Union + b_6Education + b_7DesignatedGroup) + b_8Organizational\ Trust + \varepsilon$

This regression produced an  $R^2_{adj}$  of .323 and represented a good fit to the data ( $F = 14.922$ ,  $p < 0.001$ ). The regression produced a significant coefficient for organizational trust ( $\beta = -.520$ ,  $t = -9.412$ ,  $p < 0.001$ ) in the intended direction. Furthermore, the regression produced significant coefficients for tenure ( $\beta = -.218$ ,  $t = -3.677$ ,  $p < 0.001$ ) and union ( $\beta = -.107$ ,  $t = -1.894$ ,  $p < 0.10$ ). Results from the multicollinearity diagnostics reveal that all tolerance levels are greater than 0.01., none of the VIF values were greater than 10, and none of the  $CI_k$  values were less than 30. Overall, analysis of each variable's tolerance levels, VIFs, and CIs revealed no signs of multicollinearity and hence, the behaviour of any variable  $x_k$  was not replicated by the behaviours of other variables.

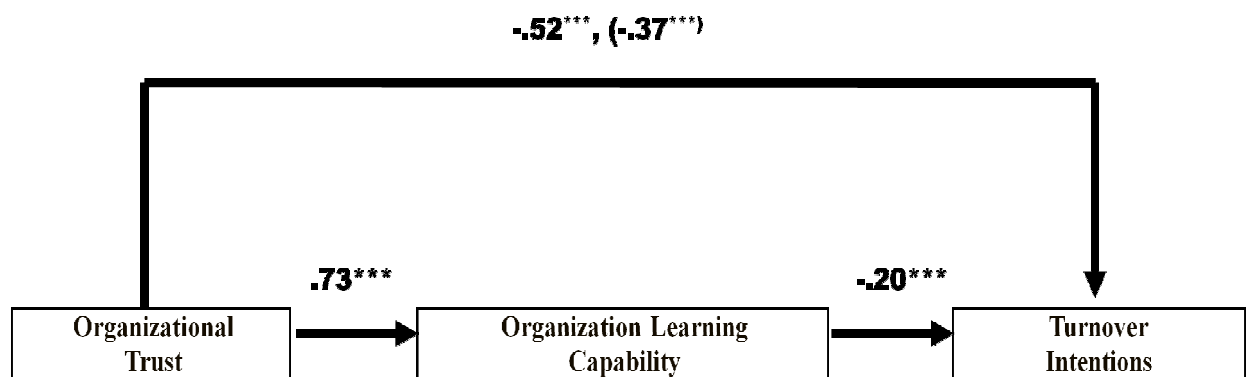
**Regression 3.**  $Turnover\ Intentions = b_0 + (b_1Sector + b_2Tenure + b_3Manager + b_4Gender + b_5Union + b_6Education + b_7DesignatedGroup) + b_8Organizational\ Trust + b_8Organizational\ Learning\ Capability + \varepsilon$

This regression produced an  $R^2_{adj}$  of .338 and represented a better fit to the data ( $F = 14.202$ ,  $p < 0.001$ ). The regression produced significant coefficients for organizational trust ( $\beta = -.373$ ,  $t = -4.571$ ,  $p < 0.001$ ) and organizational learning capability ( $\beta = -.202$ ,  $t = -2.422$ ,  $p < 0.001$ ) in the intended direction. The regression coefficient for organizational trust was still significant, albeit much less so after organizational learning capability was controlled for. Furthermore, the regression also produced significant coefficients for tenure ( $\beta = -.212$ ,  $t = -3.614$ ,  $p < 0.001$ ) and union ( $\beta = -.131$ ,  $t = -2.3$ ,  $p < 0.05$ ). Results from the multicollinearity diagnostics reveal that all tolerance levels are greater than 0.01, none of the

VIF values were greater than 10, and none of the  $CI_k$  values were less than 30. Overall, analysis of each variable's tolerance levels, VIFs, and CIs revealed no signs of multicollinearity and hence, the behaviour of any variable  $x_k$  was not replicated by the behaviours of other variables. Overall, there is empirical evidence that organizational learning capability mediates the relationship between organizational trust and turnover intention, supporting hypothesis 2b (Figure 5):

**Figure 5**

*Organizational Learning Capability Mediates the Relationship between Organizational Trust and Turnover Intentions (Support for H2b)*



**Unmediated  $\beta$  coefficient, (Mediated  $\beta$  coefficient)**

**\*\*\*  $P < 0.001$**

The next section will provide the results for hypothesis 4, which proposed that subsequent organizational trust would mediate the relationship between organizational learning capability and organizational trust.

**Hypothesis 3: HRMA test for the moderating effect of organizational politics on the relationship between organizational trust and organizational learning capability.**

This study also explores how employees' perceptions of organizational politics affect the direction and/or strength of the relationship between organizational trust and learning capability. A four-step (HMRA) process is required to examine the interaction effects within such a relationship (Champoux & Peters, 1987). In the first step of the HMRA, all the control variables must be regressed onto the dependent variable (organizational learning capability) separately. In the second step, the mean-centered organizational trust term must be regressed onto the organizational learning capability variable. In the third step, the mean-centered perception of organizational politics term must be regressed onto the organizational learning capability variable. In the final step, the interaction term formed by obtaining the product of the mean-centered organizational trust and the mean-centered perception of organizational politics term must be regressed onto the organizational learning capability variable (Baron & Kenny, 1986; Champoux & Peters, 1987).

Once the four steps have been entered into the statistical software, one must look at the effect that each steps' entered variables have on the dependent variable. A negative regression coefficient for the interaction term would indicate that the relationship between the predictor variable and outcome variable is stronger at lower levels of the moderator than at higher levels of the moderator (Poon, 2004). If the interaction term significantly relates to the dependent variables, there is empirical evidence of moderation. The significance of the interaction term is determined by examining the significance of the increment in criterion variance (beyond the variance accounted for by the main effects) that is explained by the interaction term (Cohen and Cohen, 1983).

Results of the HMRA indicate that organizational politics do not moderate the relationship between organizational trust and organizational learning capability. Consequently, hypothesis 3 was not supported. In particular, the model summary reveals that after introducing the interaction term ([mean-centered Trust] x [mean-centered Learning Capability]) into the model, the change in F-statistic was not significant. The HMRA did not produce a significant coefficient for the interaction term ( $\beta = .011$ ,  $t = .295$ ,  $p > 0.10$ ). This particular finding was quite surprising as the literature review suggests that in situations when organizational politics are high, the relationship between trust and learning capability should be weakened. Please see Appendix B for a summary of the HRMA. The implications of these results and possible theoretical developments are examined in the discussion section.

**Hypothesis 4: Test of mediation for the relationship between organizational learning capability, subsequent organizational trust, and organizational trust.**

*Regression 1. Subsequent Organizational Trust =  $b_0 + (b_1\text{Sector} + b_2\text{Tenure} + b_3\text{Manager} + b_4\text{Gender} + b_5\text{Union} + b_6\text{Education} + b_7\text{DesignatedGroup}) + b_8\text{Organizational Learning Capability} + \varepsilon$*

This regression produced an  $R^2_{\text{adj}}$  of .731 and represented a good fit to the data ( $F = 80.274$ ,  $p < .001$ ). The regression produced a significant coefficient for organizational learning capability ( $\beta = .864$ ,  $t = 24.358$ ,  $p < 0.001$ ) in the intended direction. Also, the regression produced significant coefficients for tenure ( $\beta = .087$ ,  $t = 2.327$ ,  $p < 0.05$ ), union ( $\beta = .085$ ,  $t = 2.365$ ,  $p < 0.05$ ), and members of a designated group ( $\beta = -.092$ ,  $t = -1.951$ ,  $p < 0.10$ ). Results from the multicollinearity diagnostics reveal that all tolerance levels are

greater than 0.01., none of the VIF values were greater than 10, and none of the  $CI_k$  values were less than 30. Overall, analysis of each variable's tolerance levels, VIFs, and CIs revealed no signs of multicollinearity and hence, the behaviour of any variable  $x_k$  was not replicated by the behaviours of other variables.

**Regression 2.** *Organizational Trust =  $b_0 + (b_1Sector + b_2Tenure + b_3Manager + b_4Gender + b_5Union + b_6Education + b_7DesignatedGroup) + b_8Organizational Learning Capability + \varepsilon$*

This regression produced an  $R^2_{adj}$  of .559 and represented a good fit to the data ( $F = 37.911$ ,  $p < 0.001$ ). The regression produced a significant coefficient for organizational learning capability ( $\beta = .757$ ,  $t = 16.641$ ,  $p < 0.001$ ) in the intended direction. Results from the multicollinearity diagnostics reveal that all tolerance levels are greater than 0.01., none of the VIF values were greater than 10, and none of the  $CI_k$  values were less than 30. Overall, analysis of each variable's tolerance levels, VIFs, and CIs revealed no signs of multicollinearity and hence, the behaviour of any variable  $x_k$  was not replicated by the behaviours of other variables.

**Regression 3.** *Organizational Trust =  $b_0 + (b_1Sector + b_2Tenure + b_3Manager + b_4Gender + b_5Union + b_6Education + b_7DesignatedGroup) + b_8Organizational Learning Capability + b_8Subsequent Organizational Trust + \varepsilon$*

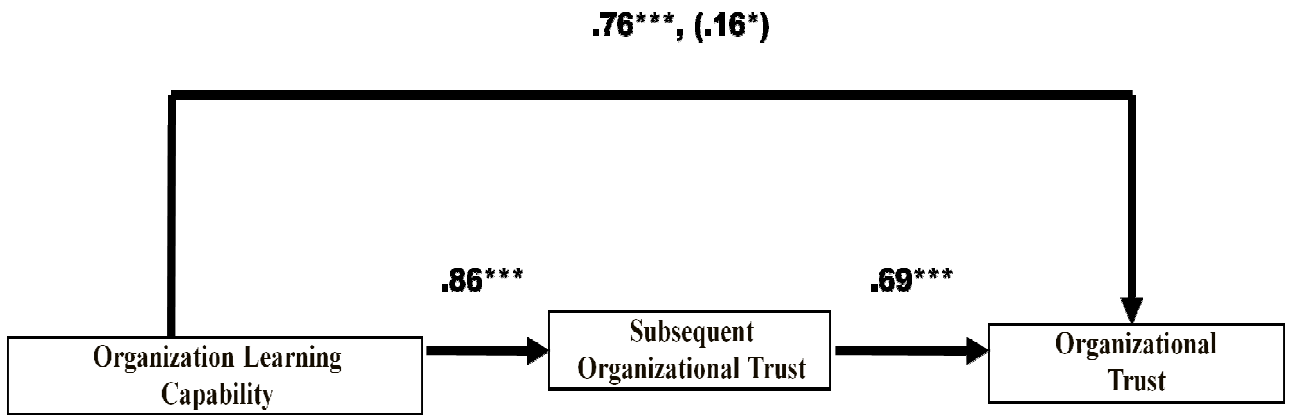
This regression produced an  $R^2_{adj}$  of .684 and represented a better fit to the data ( $F = 57.057$ ,  $p < 0.001$ ). The regression produced significant regression coefficients for organizational learning capability ( $\beta = .163$ ,  $t = 2.227$ ,  $p < 0.05$ ) and subsequent

organizational trust ( $\beta = .686$ ,  $t = 9.43$ ,  $p < 0.001$ ) in the intended direction. The regression coefficient for organizational learning capability was still significant, albeit much less so after subsequent organizational trust was controlled for. Results from the multicollinearity diagnostics reveal that all tolerance levels are greater than 0.01 and none of the VIF values were greater than 10. Only the  $CI_k$  value for the subsequent trust/organizational trust term was greater than 30 with a value of 35.226.

This value indicates a potential problem in measurement and is most likely attributed to the fact that the organizational trust and subsequent organizational trust constructs are similar. Both constructs represent measurements of trust at the organizational level. However, the two constructs measure trust from different perspectives: one represents how much employees trust their organization, whereas the other represents initiatives that organizations can use to become perceived as trustworthy. As a result, the CI value of 35.226 is of little concern. Overall, results suggest that subsequent organizational trust partially mediates the relationship between organizational learning capability and organizational trust. This finding provides support for hypothesis 4 and demonstrates that organizations can use learning capabilities to build a reputation that is perceived as trustworthy by stakeholders. Results suggest that employees are more likely to trust an organization that has a trustworthy reputation (Figure 6):

**Figure 6**

*Subsequent Organizational Trust Mediates the Relationship between Organizational Learning Capability and Organizational Trust (Support for H4)*



**Unmediated  $\beta$  coefficient, (Mediated  $\beta$  coefficient)**

**\* P < 0.05**

**\*\*\* P < 0.001**

## 6. DISCUSSION

The present study investigated a series of relationships involving the organizational trust, politics, learning, affective organizational commitment, turnover intentions, and subsequent organizational trust constructs. The results indicated that trust is an antecedent to organizational learning capability and therefore, can play an important role in becoming a learning organization. The results of the analysis revealed evidence of mediation in a number of relationships and provided empirical support for hypotheses 1, 2a, 2b, and 4.

Results indicated that the relationship between organizational trust and affective organizational commitment was mediated by organizational learning capability. This finding suggests that if organizations perceive their employees as having the ability, benevolence, and integrity to successfully complete tasks, the organization will feel that investing in the development and implementation of learning capabilities is a secure venture. Indeed, the theoretical framework suggests that employees must demonstrate that they are trustworthy before an organization would be willing to make such an investment. As a result, it appears as though employees who trust their organization are also more likely to respond positively to the use learning capabilities as a way to achieve organizational objectives. Thus, organizations which create a work environment that is characterized as trustworthy may establish a more solid foundation to support the development and use of learning capabilities. In addition, employees who trusted their organization were less likely to perceive the organization as political. Indeed, the results suggest that creating a climate of trust erodes the perception of organizational politics.

Further, the results also indicate that employees are more likely to trust their organizations if learning capabilities are used. This may occur because employees perceive a

clear vision and mission, leadership commitment and empowerment, knowledge transfer, experimentation and reward, and teamwork as initiatives that represent a trustworthy employer. Indeed, this study demonstrates that learning capabilities are a key driver in the reinforcing effect that amplifies employees trust in the organization. Employees want to be involved in operations by taking ownership of their work and understanding how they fit in to their organization's "big picture" (Fiol et al., 2001).

In essence, committed employees are more willing to be vulnerable towards the organization and trust upcoming organizational strategies and practices. It appears as though building a trusting reputation allows an organization to influence employee commitment and may prove to be an effective mechanism to lower turnover intentions. Moreover, the results indicate that organizations using learning capabilities are more likely to build employee commitment to the organization. That is, employees are more likely to want to be a part of the organization and are willing to emotionally invest themselves in it. Indeed, it is reasonable to believe that a culture of commitment is a source of competitive advantage and by building such a culture, organizations may create more stability in long-term planning. In addition, results of the study indicated that the relationship between organizational trust and turnover intentions was mediated by organizational learning capability. Similar to the findings regarding affective organizational commitment, organizations that develop and make effective use of learning capabilities are less likely to have high turnover and are more likely to have reduced turnover costs. Taken together, the findings suggest that if organizations can produce and implement effective learning capabilities, they are more likely to stimulate employee commitment to the organization and lower turnover. The ability to retain star employees is also a source of competitive advantage as it provides the

organization with longevity through the seamless continuance of operations over time (Belcourt & M<sup>c</sup>Bey, 2007).

Another important finding was that subsequent organizational trust mediates the relationship between organizational learning capability and organizational trust. This finding is significant because there is limited empirical research that provides tangible ways for organizations to be regarded as trustworthy. Indeed, the results indicate that there are a host of management strategies and practices that could be developed and implemented that will in turn obtain the trust of employees. This finding has not received much attention in the literature and could lead to a new stream of research in the organizational trust domain. Thus, the management initiatives and strategies utilized by the learning organization may provide a pathway for organizations to undertake when moving towards building an image that is perceived by employees and clients, as well as potential recruits and clients, as trustworthy. The theoretical framework and survey items of this construct provide a few examples of specific initiatives that may help the organization demonstrate that it is a trustworthy entity. This would be quite useful for organizations as obtaining stakeholder trust may serve as a competitive advantage. Thus, adapting the SOT scale and testing it on a different sample would help confirm that the initiatives outlined in the questionnaire would help an organization appear trustworthy and eventually use this reputation as a tool to attract potential clients and top recruits, as well as retain important clients and key employees.

Finally, results revealed that organizational politics did not moderate the relationship between organizational trust and learning capability. Due to the surprising nature of the findings for hypothesis 3, further research and examination more of the organizational politics and learning literature was conducted. Further review of the OLS and POPS

suggests that these two questionnaires probe many of the same practices and strategies inherent in organizations, although from different perspectives; the OLS from a positive and innovative perspective, whereas the POPS assumes a malignant, destructive perspective. This suggests that political organizations are mutually exclusive from learning organizations. That is, organizations that follow the five strategic building blocks and work towards becoming a learning organization are less likely to be politically charged.

Indeed, it appears as though the OLS and POPS questionnaires address many of the same factors (knowledge transfer, leadership, teamwork, culture, rewards and recognition), but from different perspectives. On the one hand, the OLS appears to provide a proactive and supportive perspective to the questions that suggests the use of practices such as knowledge transfer, leadership commitment, teamwork and group problem solving, a feedback culture, and effective rewards and recognition as tools that will benefit the organization. On the other hand, the POPS is much more abrasive and approaches similar practices, albeit from a destructive context. Indeed, many of the items focus on the negative aspects of practices such as knowledge transfer, leadership, teamwork, culture, and rewards and recognition. The POPS examines knowledge transfer from a conflict standpoint, asking questions that concern the concealment of information from co-workers. The questionnaire also contains questions about leadership and feedback culture; however, the items probe ineffective or political leaders, while trying to measure how unreceptive to new ideas the organization's culture is. The POPS also identifies issues with teamwork and group problem solving in the sense that employees do not work together and eventually coalitions will form and divide the organization into subgroups. Finally, the rewards and recognition items suggest that employees are better off "going along to get ahead" and that the organization's

pay and promotion policies are not applied in a transparent manner.

The results from hypothesis 3 and the HMRA were indeed surprising and raised further questions about the potential relationship between the organizational politics, trust, and learning capability constructs. Based on this extensive review of the literature, a supplementary analysis was conducted to demonstrate that the organizational trust, politics, and learning capability variables have a meaningful and statistically significant relationship (referred to as “hypothesis 3b”). The hypothesis proposes that organizational trust mediates the relationship between organizational politics and organizational learning capability. The theoretical development surrounding this hypothesis stems from the notion that political organizations can use the concept of trust to move towards becoming a learning organization. Thus, the hypothesis suggests that political and learning organizations may be mutually exclusive. Once again, I will use the methodology outlined by Baron and Kenny (1986):

**Hypothesis 3b: Test of mediation for the relationship between organizational politics, organizational learning capability, and organizational trust.**

**Regression 1.** *Organizational Trust* =  $b_0 + b_1Sector + b_2Tenure + b_3Manager + b_4Gender + b_5Union + b_6Education + b_7DesignatedGroup + b_8Organizational Politics + \varepsilon$

This regression produced an  $R^2_{adj}$  of .517 and represented a good fit to the data ( $F = 32.232$ ,  $p < .001$ ). The regression produced a significant coefficient for organizational politics ( $\beta = -.714$ ,  $t = 15.289$ ,  $p < 0.001$ ) in the intended direction. Also, the regression produced a significant coefficient for education ( $\beta = .087$ ,  $t = 1.702$ ,  $p < 0.10$ ). Results from the multicollinearity diagnostics reveal that all tolerance levels are greater than 0.01., none of

the VIF values were greater than 10, and none of the  $CI_k$  values were less than 30. Overall, analysis of each variable's tolerance levels, VIFs, and CIs revealed no signs of multicollinearity and hence, the behaviour of any variable  $x_k$  was not replicated by the behaviours of other variables.

**Regression 2.** *Organizational Learning Capability* =  $b_0 + b_1Sector + b_2Tenure + b_3Manager + b_4Gender + b_5Union + b_6Education + b_7DesignatedGroup + b_8Organizational Politics + \varepsilon$

This regression produced an  $R^2_{adj}$  of .683 and represented a good fit to the data ( $F = 63.614$ ,  $p < 0.001$ ). The regression produced a significant coefficient for organizational politics ( $\beta = -.801$ ,  $t = -21.144$ ,  $p < 0.001$ ) in the intended direction. Also, the regression produced a significant coefficient for members of a designated group ( $\beta = .087$ ,  $t = 1.700$ ,  $p < 0.10$ ). Results from the multicollinearity diagnostics reveal that all tolerance levels are greater than 0.01., none of the VIF values were greater than 10, and none of the  $CI_k$  values were less than 30. Overall, analysis of each variable's tolerance levels, VIFs, and CIs revealed no signs of multicollinearity and hence, the behaviour of any variable  $x_k$  was not replicated by the behaviours of other variables.

**Regression 3.** *Organizational Learning Capability* =  $b_0 + b_1Sector + b_2Tenure + b_3Manager + b_4Gender + b_5Union + b_6Education + b_7DesignatedGroup + b_8Organizational Politics Learning + b_9Organizational Trust + \varepsilon$

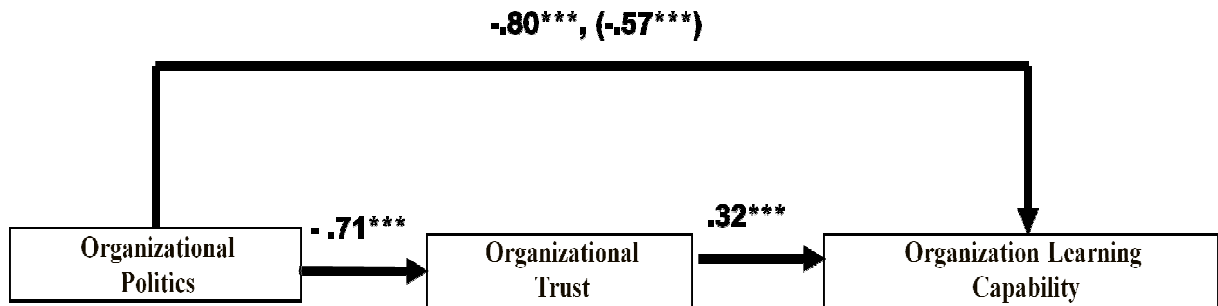
This regression produced an  $R^2_{adj}$  of .731 and represented a better fit to the data ( $F = 71.420$ ,  $p < 0.001$ ). As predicted, the regression produced a significant coefficient for

organizational trust ( $\beta = .321$ ,  $t = 6.460$ ,  $p < 0.001$ ) and organizational politics ( $\beta = -.571$ ,  $t = -11.481$ ,  $p < 0.001$ ) in the intended direction. The regression coefficient for organizational politics was still significant, albeit much less so after organizational trust was controlled for. Also, the regression produced a significant regression coefficient for union ( $\beta = -.067$ ,  $t = -1.864$ ,  $p < 0.10$ ). Results from the multicollinearity diagnostics reveal that all tolerance levels are greater than 0.01, none of the VIF values were greater than 10, and only the CI value for the organizational trust and learning capability term was greater than 30. However, this high CI value is mostly likely attributed to the fact that both constructs were highly correlated in the intercorrelation analysis. The high CI value does not appear to be a problem for the data as all but one other regression in the study have proved to be without multicollinearity.

Overall, results suggest that organizational trust mediates the relationship between organizational politics and organizational learning capability. This finding supports the theoretical argument that political organizations can become learning organizations, but must start by building a culture of “trust”. The results also confirm that the organizational politics construct has some meaningful and statistically significant connection to the organizational trust and learning capability constructs (Figure 7).

**Figure 7**

*Organizational Trust Mediates the Relationship between Organizational Politics and Organizational Learning Capability (Support for H3b)*



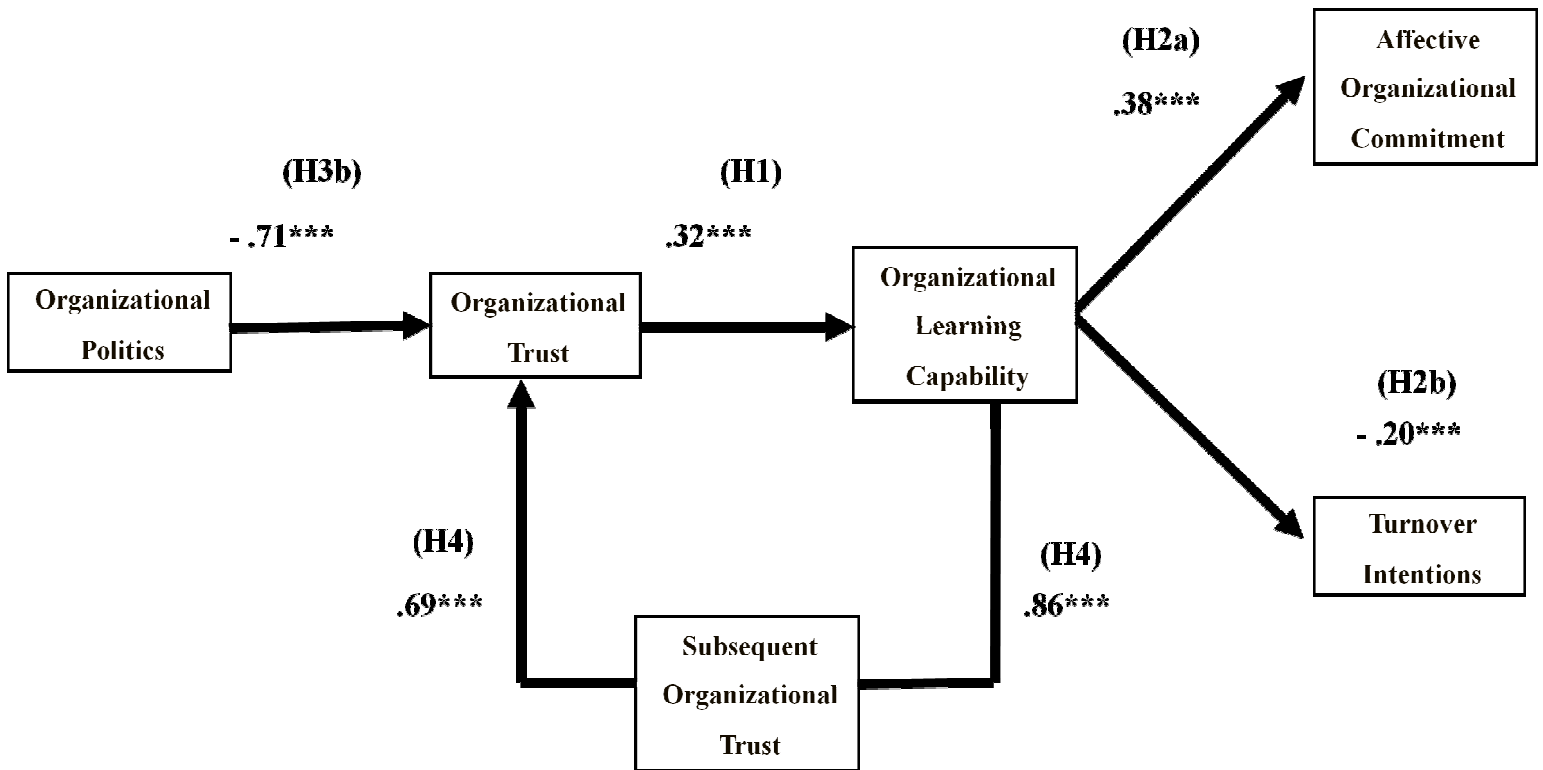
**Unmediated  $\beta$  coefficient, (Mediated  $\beta$  coefficient)**

**\*\*\* P < 0.001**

The results indicated that organizational trust partially mediates the relationship between organizational politics and organizational learning capability. Results suggest one particular tool that may help political organizations become learning organizations is to create and develop a culture of trust. Thus, the mediating effect of organizational trust could represent a political organization's transition away from one end of an organizational design continuum towards the other end, described as a learning organization. While learning organizations may experience some forms of conflict (for example, task conflict), it is more likely to be perceived by employees as a step in the innovation process; employees are just challenging the way things are done, hoping to be proactive and help the organization reinvent itself. Figure 8 shows the complex series of relationships between the major constructs in this study and the results of the research:

**Figure 8**

*New Integrative Framework Illustrating the Relationships between Organizational Trust, Politics, Learning Capability, Affective Organizational Commitment, Turnover Intentions, and Subsequent Organizational Trust.*



**\*\*\* P < 0.001**

## 7. STUDY LIMITATIONS

The study had a number of limitations. During the past 18 months, the largest obstacle to overcome was that of data collection. The sample size of this survey is a result of extensive relationship building with the organizations involved in the study. Some of the contacts who helped distribute the survey were unknown to the author. Evidently, it took longer to obtain their trust. Ironically, it was necessary to demonstrate that the author had the ability to finish the thesis and provide each organization with meaningful results, the benevolence to pursue this study as a component of the thesis and not for profit, and the integrity to conduct the study in an ethical and transparent manner (the Ethics Certificate from the University of Ottawa Research Ethics Board helped).

Besides obtaining the trust of my participants, it was difficult to provide incentives to each of the organizations. The budget for this thesis study was limited and there simply were not enough funds to compensate each participant or organization at market value. With a larger budget, it is likely that a considerably larger sample would have been obtained. In particular, it would have been very interesting to conduct additional studies that use large health care (hospitals and clinics) or government (federal, provincial) samples to focus even more on each sector. Another significant limitation was the physical data collection tool. Organizations were consistent in their demands concerning the content of the survey and the length of time donated to have employees complete the survey. Indeed, organizations requested a survey that was less than 60 questions and took less than 15 minutes to complete. This is because the survey was to be completed on company time.

Other limitations of the study include the sample distribution and the cross-sectional nature of the study. In particular, the study obtained a majority of responses from the public

sector and a small percentage of total responses represent the health sector. Evidently, one cannot necessarily generalize the results to represent the entire health care sector (or the private sector). Furthermore, the nature of the study was cross-sectional and represented only one period of time. Future studies would benefit from consideration of temporal aspect such as the development of trust and its effect on building learning capabilities over time as measured in a longitudinal study. Also, it would be useful to replicate the study and use structural equation modelling to provide another perspective on the complex series of relationships described in this research study. However, despite the various constraints and limitations, this research makes a contribution to the organizational learning, trust, or politics literature.

## 8. FUTURE RESEARCH

This study has been a remarkable journey and has presented a number of outcomes that have not been previously identified in the literature. Researchers are encouraged to build on the proposed integrative framework and work towards identifying the other latent variables that explain the complex relationships between the constructs tested in this study. There are a number of suggestions that will help accomplish this. First, researchers should approach future studies involving these constructs with a longitudinal perspective. The literature acknowledges the dynamic nature of the trust, learning, politics, and commitment constructs. These variables are likely to be ongoing and not static. As such, it would be beneficial to utilize a longitudinal approach that measures each variable over a pre-determined time series (for example, the variables are measured four times over the course of one calendar year). This would allow researchers to map out and capture the evolution or potential dissipation of the trust, learning, politics, and commitment constructs. Furthermore, the longitudinal approach should be coupled with structural equation modelling to confirm the directionality and causality of the relationships illustrated in this study.

Future research should also separate the organizational level and individual levels of analysis within the trust, learning, and politics constructs. Researchers have acknowledged that learning, trust, and politics can occur at both the individual and organizational level. While these two levels of analysis are interrelated, they may indeed be separate. As such, it may be useful to conduct a multilevel analysis that identifies the evolution or dissipation of trust, learning, and politics from both an individual and organizational level. This approach, combined with a longitudinal methodology, would allow researchers to track patterns of development along individual and organizational levels for each of the aforementioned

constructs.

This study has developed a framework that integrates the trust, learning, politics, and commitment variables but is by no means complete. Researchers are encouraged to work together using the suggestions above and to expand on the framework of this study. The results of partial mediation suggest that there are other independent, mediating, moderating, and outcome variables to be tested and only by furthering our pursuit of knowledge can this framework be expanded.

## 9. CONCLUSIONS AND CONTRIBUTIONS

The study produced a number of interesting results that will provide researchers and practitioners with valuable insights. The ultimate purpose of the study is to contribute to the organizational learning literature by developing an integrative framework. This study has developed an integrative framework that considers organizational learning capability, trust, and politics. Furthermore, this study examines the significant influence that these variables can have on important outcomes including affective organizational commitment, turnover intentions, and subsequent organizational trust.

Based on support from the seminal work of Baron and Kenny (1986), this study will contribute to the literature. The complex series of relationships in this study exhibited mediating effects which has identified a number of causal pathways and linkages between theoretical constructs. Indeed, further studies need to identify other latent factors that can help explain the variance and linkages between the organizational trust, politics, learning capability, commitment, turnover intention, and subsequent trust constructs.

In particular, this study revealed that trust can indeed serve as an antecedent to the development and implementation of organizational learning capabilities. To the author's knowledge, this relationship has not been previously examined in the literature. Thus, once employees demonstrate that they are trustworthy and possess the ability, benevolence, and integrity to complete work tasks, the organization will move towards becoming a learning entity by investing in learning capabilities. This is because it is believed that organizations will only be willing to incur such costs if they trust their employees can make effective use of such learning capabilities. Further, the study indicated that organizations can use learning capabilities as a tool to build affective organizational commitment and reduce turnover.

The study also demonstrated that the relationship between organizational trust and learning capability has a reinforcing effect. In particular, effective use of organizational learning capabilities allows organizations to build an image or reputation that is perceived by stakeholders as trustworthy. Thus, learning capabilities represent one set of practices that organizations can use to demonstrate that they have ability, benevolence, and integrity- key factors that influence the development of trust between two parties. Given the partial mediating effect of subsequent organizational trust on the relationship between organizational learning capability and trust, there are other latent factors that may help organizations bolster their reputation as a trustworthy entity. Thereafter, employees are expected to recognize the investment in learning capabilities and various opportunities for growth within the learning organization as a symbol of their high value to the organization. The results suggest that this has an amplifying effect that stimulates employees to further increase their trust in the organization.

Finally, results revealed that political organizations may be mutually exclusive from learning organizations. The proposed mediating role of organizational trust within the relationship between organizational politics, trust, and learning capability may represent a form of transition as organizations on one end of an organizational design continuum (political) move towards the other end (learning organization). Indeed, the theoretical relationship was supported by data and suggests that political organizations may eventually become learning organizations, but they must start by creating a culture of trust. The results suggest that creating an organizational culture that encourages trust and discourages politics would help the organization lower turnover costs and increase organizational commitment.

The results also suggested that organizations possessing a culture that is described as

political are more likely to incur greater turnover costs compared to their learning organization counterparts. Finally, the negative correlation between organizational politics and subsequent organizational trust suggests that a political culture is likely to hinder an organization's ability to build a reputation that is characterized as trustworthy. Therefore, if organizations wish to continuously adapt to their environment, respond to uncertainty, and self-renew to gain a competitive advantage, it must eliminate political activity and move towards a more transparent business model.

In conclusion, this study has considered the works of established researchers and used this as a theoretical underpinning to support an empirical investigation that illustrated the dynamic interrelations between organizational trust, learning capability, politics, and retention. This study synergizes these important components of management research and demonstrates that these are key constructs to consider when creating an organization that is capable of reinventing itself, perceived by stakeholders as trustworthy, and achieving a competitive advantage. It is important to note that reaching the pinnacle archetype that is the learning organization is difficult because by its very nature, this type of organization is constantly evolving to make itself better. The learning capabilities and components of organizational trust can help provide organizations with a new wave of thinking that helps leverage employees' abilities in order to gain a competitive advantage. Most importantly, the learning organization represents advancement in the management literature by providing managers and researchers alike with a new way to think about organizational theory.

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## APPENDIX A- THESIS STUDY SURVEY

Instructions: This section asks for personal data. Please respond by filling in the appropriate blank space or making a checkmark.

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1. Please indicate the sector or industry that your organization operates in:

Private \_\_\_\_\_

Public \_\_\_\_\_

Health Care \_\_\_\_\_

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2. Please indicate how many years you have been with this organization: \_\_\_\_\_

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3. Do you manage or supervise any employees?

Yes \_\_\_\_\_

No \_\_\_\_\_

---

4. Are you a member of a work-union?

Yes \_\_\_\_\_

No \_\_\_\_\_

I don't know \_\_\_\_\_

---

5. Please indicate your gender:

Female \_\_\_\_\_

Male \_\_\_\_\_

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6. Please indicate your level of education:

\_\_\_ High school or less

\_\_\_ College/CEGEP

\_\_\_ University

\_\_\_ Master's

\_\_\_ PhD or higher

---

7. Please indicate if you belong to any one or more of the following "designated groups" as identified by the Canadian Charter of Human Rights and Freedoms:

\_\_\_ A Visible Minority/ Aboriginal Person /Person with a Disability/ Woman

\_\_\_ None of the above

---

Instructions: Please respond by circling the number that most closely corresponds to how you feel about each statement.

	1				5
	Strongly				Strongly
	Disagree				Agree
1. I can expect my employer to treat me in a consistent and predictable fashion	1	2	3	4	5
2. I believe my employer has high integrity.	1	2	3	4	5
3. My employer is not always honest and truthful.	1	2	3	4	5
4. In general, I believe my employer's motives and intentions are good.	1	2	3	4	5
5. I don't think my employer treats me fairly.	1	2	3	4	5
6. My employer is open and upfront with me.	1	2	3	4	5
7. I'm not sure I fully trust my employer.	1	2	3	4	5
8. The organization's mission statement identifies values to which all employees must conform.	1	2	3	4	5
9. We have opportunities for self assessment with respect to goal attainment.	1	2	3	4	5
10. Senior managers in this organization resist change and are afraid of new ideas.	1	2	3	4	5
11. Senior managers and employees in this organization share a common vision of what our work should accomplish.	1	2	3	4	5
12. Managers in this organization can accept criticism without becoming overly defensive.	1	2	3	4	5
13. Managers in this organization often provide useful feedback that helps to identify potential problems and opportunities.	1	2	3	4	5
14. Managers in this organization frequently involve employees in important decisions	1	2	3	4	5
15. I can often bring new ideas into the organization.	1	2	3	4	5
16. From my experience, people who are new in this organization are encouraged to question the way things are done.	1	2	3	4	5
17. Managers in this organization encourage team members to experiment in order to improve work processes.	1	2	3	4	5
18. Innovative ideas that work are often rewarded by management.	1	2	3	4	5
19. In my experience, new ideas from employees are not treated seriously by management.	1	2	3	4	5
20. Failures are seldom constructively discussed in our organization.	1	2	3	4	5
21. New work processes that may be useful to the organization as a whole are usually shared with all employees.	1	2	3	4	5

22. We have a system that allows us to learn successful practices from other organizations.	1	2	3	4	5
23. Current organizational practice encourages employees to solve problems together before discussing them with a manager.	1	2	3	4	5
24. We cannot usually form informal groups to solve organizational problems.	1	2	3	4	5
25. Most problem solving groups in this organization feature employees from a variety of functional areas.	1	2	3	4	5
26. People in this organization attempt to build themselves up by tearing others down.	1	2	3	4	5
27. There has always been an influential group in this department that no one ever crosses.	1	2	3	4	5
28. Employees are encouraged to speak out frankly even when they are critical of well-established ideas.	1	2	3	4	5
29. There is no place for yes-people around here; good ideas are desired even if it means disagreeing with superiors.	1	2	3	4	5
30. Agreeing with powerful others is the best alternative in this organization.	1	2	3	4	5
31. It is best not to rock the boat in this organization.	1	2	3	4	5
32. Sometimes it is easier to remain quiet than to fight the system.	1	2	3	4	5
33. Telling others what they want to hear is sometimes better than telling the truth.	1	2	3	4	5
34. It is safer to think what you are told than to make up your own mind.	1	2	3	4	5
35. Since I have worked in this department, I have never seen the pay and promotion policies applied politically.	1	2	3	4	5
36. The stated pay and promotion policies have nothing to do with how pay raises and promotions are determined.	1	2	3	4	5
37. Promotions around here are not valued much because how they are determined is so political.	1	2	3	4	5
38. I would be very happy to spend the rest of my career with this organization.	1	2	3	4	5
39. I do not feel a strong sense of "belonging" to my organization.	1	2	3	4	5
40. I do not feel "emotionally attached" to this organization.	1	2	3	4	5
41. This organization has a great deal of personal meaning for me.	1	2	3	4	5
42. I plan to look for another job.	1	2	3	4	5
43. I have no intention of quitting my job.*	1	2	3	4	5
44. I am thinking of quitting my job.	1	2	3	4	5

<p>45. If you are in the Private Sector, please mark "N/A" as your answer. If you are currently working in the Public Service or Health Care fields, please answer the following:</p> <p>I have no intention of transferring to another agency in the Public Service/ I have no intention of transferring to another agency in Health Care</p>	<p>1 2 3 4 5</p>
<p>46. I believe that my organization has integrity because it clearly communicates a shared vision.</p>	<p>1 2 3 4 5</p>
<p>47. I believe that my organization is trustworthy because it allows me to “think outside the box”.</p>	<p>1 2 3 4 5</p>
<p>48. I have full confidence that my organization does not withhold work-related information from me.</p>	<p>1 2 3 4 5</p>
<p>49. I believe in sharing new knowledge with my organization.</p>	<p>1 2 3 4 5</p>
<p>50. I believe that my organization is trustworthy and hence a good company to work for because it has the ability to succeed.</p>	<p>1 2 3 4 5</p>
<p>51. I believe that my organization is trustworthy and hence a good company to work for because it provides me with good benefits and work-life balance.</p>	<p>1 2 3 4 5</p>
<p>52. I believe that my organization is trustworthy and hence a good company to work for because our business practices are ethical.</p>	<p>1 2 3 4 5</p>

APPENDIX B- SUMMARY OF HRMA

**Table 1**

*Summary of HRMA Model*

Model	Change Statistics								
	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
1	.290 <sup>a</sup>	.084	.056	.65356	.084	2.971	7	226	.005
2	.768 <sup>b</sup>	.590	.575	.43855	.505	276.934	1	225	.000
3	.861 <sup>c</sup>	.742	.731	.34874	.152	131.805	1	224	.000
4	.861 <sup>d</sup>	.742	.730	.34945	.000	.087	1	223	.768

a. Predictors: (Constant), DG, Union, Tenure, Manager, Sector, Education, Gender

b. Predictors: (Constant), DG, Union, Tenure, Manager, Sector, Education, Gender, MCT

c. Predictors: (Constant), DG, Union, Tenure, Manager, Sector, Education, Gender, MCT, MCP

d. Predictors: (Constant), DG, Union, Tenure, Manager, Sector, Education, Gender, MCT, MCP, TxP

**Table 2*****Coefficients<sup>a</sup> and Significance Levels of Variables in the HMRA***

Model		<i>Unstandardized</i>		Standardized			Collinearity Statistics		
		<i>Coefficients</i>		Coefficients		t	Sig.	Tolerance	VIF
		<i>B</i>	<i>Std. Error</i>	Beta					
4	(Constant)	3.183	.107			29.643	.000		
	Sector	.057	.040	.053		1.427	.155	.842	1.187
	Tenure	.002	.003	.027		.729	.467	.826	1.211
	Manager	.062	.052	.046		1.196	.233	.775	1.291
	Gender	-.042	.065	-.029		-.636	.525	.548	1.826
	Union	-.073	.039	-.067		-1.869	.063	.893	1.120
	Education	.003	.029	.004		.115	.909	.767	1.304
	DG	.103	.068	.072		1.519	.130	.517	1.933
	<b>MCT</b>	.271	.043	<b>.319</b>		<b>6.278</b>	<b>.000</b>	.450	2.224
	<b>MCP</b>	-.526	.046	<b>-.570</b>		<b>-11.406</b>	<b>.000</b>	.464	2.157
	<b>TxP</b>	.010	.034	<b>.011</b>		<b>.295</b>	<b>.768</b>	.840	1.190

a. Dependent Variable: Mean\_L

## APPENDIX C- INFORMATION AND RECRUITMENT PACKAGE

### RECRUITMENT TEXT / LETTER OF INFORMATION FOR CONTACT PERSONS IN ORGANIZATIONS

***\*\*\*Please note that this package was sent to each contact person at each organization and all have agreed to participate\*\*\****

November 25, 2010

**To: NAME OF CONTACT PERSON, ORGANIZATION NAME**

**Re: Voluntary Participation in Research on Organizational Learning**

**Greetings!** My name is Andrew Tirelli and I am a student at the University of Ottawa. Currently, I am completing my Masters of Science in Management (MSc. Management) degree at the Telfer School of Management. A requirement for my program is to complete a thesis and successfully defend it against a panel of professors.

As part of my thesis research I will be carrying out a field study that requires collecting data from employees in an organization. In order for my study to be successful, I must obtain a diverse sample size that includes employees from a number of different organizations. As such, I would greatly appreciate the cooperation of your organization in being a participating member of my study. I can promise you that your responses will remain confidential and the results of the survey will be pooled for analysis in order to ensure that individual employee responses cannot be identified. I will be following all the required ethical protocols as required by the University of Ottawa Research Ethics Board.

The purpose of the project is to examine critical yet overlooked factors that influence management's ability to harvest organizational learning. Furthermore, the purpose of the current research project is to determine the influence that organizational trust and learning have on building organizational commitment and predicting employees' turnover intentions.

I would like to invite your organization to participate in my research project by completing an online questionnaire. If you agree, your participation would be voluntary and would involve no risks or significant inconvenience to you except for a few minutes of your time to complete a questionnaire. Please note that there would be no consequences to you for choosing *not* to participate or to withdraw from the study at any time. I have tried to anticipate some of them and have provided a response below:

**What are the objectives of this research?** The proposed research project has two objectives: i) explore the linkage between important yet unexamined factors of organizational learning; ii) examine the effects of this relationship in regards to an organization's ability to build employee commitment and reduce employee turnover intentions.

**What does participation imply?** If you agree to participate in this phase of my research I would ask you to be involved in completing a questionnaire.

**What is the questionnaire?** The questionnaires are completed online and are anonymous. They ask questions about the level of trust employees have in the organization, as well as the type of learning practices currently utilized by your organization (such as knowledge transfer).

**How would the data be treated?** Data from the questionnaire survey will be aggregated so that no individual will be identified. I can also assure you that only my Thesis Supervisor (Dr. Swee Goh) and I would have access to the data.

All the data, including the questionnaires will be held in a secure locked cabinet in my office and access will be made available only to Dr. Goh and I. After five years the individual survey results will be destroyed.

**What would be the potential benefits of participation for you?** Once I have collected and analyzed all of the data, I will write a research paper or report. I will be pleased to share this information with you if you wish. I am hopeful that this information would be useful to you to use in the future as results of the study will provide organizations with ways to address knowledge transfer and organizational learning issues. Also, results of the study will identify if your organization is capable of self-renewal or the ability to innovate and continuously recreate internal knowledge for future organizational initiatives. Finally, results identify issues salient in building employee commitment and trust. I would be happy to provide further information if necessary.

Sincerely,

Andrew Tirelli  
MSc. Management Candidate

Swee C. Goh, Ph.D.

## APPENDIX D- LETTER OF INVITATION FOR PARTICIPATION

### LETTER OF INVITATION/ CONSENT

Good day,

In an effort to help measure the role that trust plays in building effective organizational learning practices, a University of Ottawa graduate student by the name of Andrew Tirelli will be conducting a field study for his Master's thesis. The study will involve a number of employees from various organizations across the public, private, and health sectors.

**Our organization has agreed to participate in Andrew's research, and would like to invite all employees to participate in this study by anonymously filling out an online questionnaire that takes approximately 20 minutes to complete. Participation in the study is voluntary and all responses will be pooled so that no individual can be identified. The survey will go a long way to help both our organization and Andrew. Once the surveys have been filled out, there would be no further participation required by you.**

**Please note that by completing the questionnaire, you are hereby signalling consent to participate in the research project. If you are interested in participating, please fill out the online questionnaire by clicking the link below. For those interested in the results, Andrew has agreed to provide a copy of his thesis report to our organization containing a sector by sector analysis. Please note that the sector by sector analysis is a summary report and will not contain any individual responses so that no individual employee participant can be identified by their function, tenure within the organization, gender, or education level.**

**Thank you for your time and understanding,**

#### **SURVEY LINK:**

**<http://www.surveymonkey.com/s/39Y7NCC>**

#### **NAME AND SIGNATURE BLOCK OF CONTACT PERSON IN PARTICIPATING ORGANIZATION**

Andrew Tirelli

# APPENDIX E- CONSENT FORM FOR SURVEY PARTICIPATION

## Consent Form

Date: January 2011

### The Relationship between Organizational Learning Capability, Trust, and Politics: An Empirical Study

Andrew Tirelli  
MSc. Management Candidate

Swee C. Goh, Ph.D.

**Invitation to Participate:** You are invited to participate in the abovementioned research study conducted by the researcher (Andrew J. Tirelli) under the supervision of the supervisor (Dr. Swee C. Goh).

**Purpose of the Study:** The purpose of the study is to determine the influence that organizational trust and learning have on building organizational commitment and predicting employees' turnover intentions.

**Participation:** Your participation will consist completing the questionnaire that follows if you consent to participate in the study. The questionnaire will take approximately 20 minutes to complete and there are no right or wrong answers. Please answer each question honestly. Once you have completed the questionnaire, your participation is complete.

**Risks:** Your participation in this study involves minimal risks as some participants may perceive questions as more sensitive than others.

**Benefits:** Your participation in this study will help the researcher complete his thesis at the University of Ottawa and provide all participating organizations with useful information regarding how to establish trusting organizations, using trust to develop effective organizational learning practices, and building employee commitment.

**Confidentiality:** The researcher assures to all participants that the information shared by each participant will remain strictly confidential. No individual responses to the questionnaire will be revealed, nor will the identity of the participating organizations. Individual responses are anonymous and will be available only to the researcher and his supervisor.

**Anonymity:** Anonymity will be protected in the following manner: at no point in the survey does the researcher ask for your name or for you to reveal your identity. In addition, the researcher will aggregate all the individual anonymous responses so that individual employees and individual responses will not be identified. Furthermore, the researcher will not collect IP addresses and thus will not have access to any data regarding any employees involved in this study.

**Conservation of data:** The data collected from the online questionnaire will be kept in a secure

manner. Specifically, the researcher will keep all results on an external hard drive which is accessible only by password which only the researcher and supervisor will have access to. The hard drive will be kept in a locked cabinet, located in a locked office at the University of Ottawa which only the researcher and supervisor have access to. The data will be conserved for 5 years beginning on the date the questionnaire is completed. After the 5 year conservation period, all individual-level data will be destroyed.

**Voluntary Participation:** You are under no obligation to participate and if you choose to participate, you can withdraw from the study at any time and/or refuse to answer any questions, without suffering any negative consequences from your organization.

**Acceptance:** By clicking the “I agree” button below, you are agreeing to participate in the above research study conducted by Andrew J. Tirelli under the supervision of Dr. Swee C. Goh of the Telfer School of Management, University of Ottawa.

If I have any questions about the study, you may contact the researcher or his supervisor.

If you have any questions regarding the ethical conduct of this study, you may contact the Protocol Officer for Ethics in Research, University of Ottawa, Tabaret Hall, 550 Cumberland Street, Room 159, Ottawa, ON K1N 6N5. Tel.: (613) 562-5841, Email: [ethics@uottawa.ca](mailto:ethics@uottawa.ca).

Thank you for your time,

Andrew Tirelli  
MSc. Management Candidate

Swee C. Goh, Ph.D.