

## **ORGANIZATIONAL LEARNING CAPACITY AND LABOR-MANAGEMENT CLIMATE: ASSESSING THEIR IMPACT ON NURSING HOME PERFORMANCE**

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## **RESEARCH QUESTIONS**

1. HOW IS LABOR-MANAGEMENT CLIMATE CHARACTERIZED IN CANADIAN NURSING HOMES?
2. DO NURSING HOMES THAT HAVE FAVORABLE LABOR-MANAGEMENT CLIMATES PERFORM ANY BETTER THAN HOMES WITH LESS FAVORABLE CLIMATES?
3. DOES A STRONG COMMITMENT TO ORGANIZATIONAL LEARNING, IN TANDEM WITH A STRONG LABOR-MANAGEMENT CLIMATE, FACILITATE THE ABILITY OF NURSING HOMES TO SECURE THEIR VALUED PERFORMANCE OBJECTIVES?

## **WHAT IS ORGANIZATIONAL LEARNING?**

■ "...AN ORGANIZATION THAT IS SKILLED AT CREATING, ACQUIRING, AND TRANSFERRING KNOWLEDGE, AND AT MODIFYING ITS BEHAVIOR TO REFLECT NEW KNOWLEDGE AND INSIGHTS" (Garvin, 1993)

■ "AN ORGANIZATION THAT IS CONTINUALLY EXPANDING ITS CAPACITY TO CREATE ITS FUTURE... FOR A LEARNING ORGANIZATION "ADAPTIVE LEARNING" MUST BE JOINED BY "GENERATIVE LEARNING", LEARNING THAT ENHANCES OUR CAPACITY TO CREATE" (Senge, 1990)

■ "... THE CAPACITY OR PROCESSES WITHIN AN ORGANIZATION TO MAINTAIN OR IMPROVE PERFORMANCE BASED ON EXPERIENCE. THIS ACTIVITY INVOLVES KNOWLEDGE ACQUISITION, KNOWLEDGE SHARING, AND KNOWLEDGE UTILIZATION" (Dibella, Novis & Gould, 1996)

## **OPERATIONALIZING ORGANIZATIONAL LEARNING**

Organizations demonstrating a strong learning orientation:

- Are committed to the education, growth and development of all employees;
- Cherish the diversity of perspectives, orientations and competencies of all employees;
- Facilitate the advancement of new ideas and suggestions by employees at all levels;
- Make information accessible to all;
- Have leaders strongly articulate their vision and facilitate an atmosphere of open communication

## **OPERATIONALIZING ORGANIZATIONAL LEARNING**

Organizations demonstrating a strong learning orientation:

- Have members who attempt to understand causal nature of things before taking action;
- Support individuals who try new things and reward those who take calculated risks;
- Believe that performance deficiencies lead to opportunities for increased learning, insight, and understanding;
- Spend a lot of time spanning the environment;
- Spend a lot of effort on measuring things before making decisions

## **OPERATIONALIZING LABOR-MANAGEMENT CLIMATE**

Organizations demonstrating a favorable labor-management climate:

- Settle grievances promptly between union and management;
- Conduct labor negotiations in good faith;
- Unions and management make sincere efforts to solve common problems;
- Management seeks input from unions before making changes;
- Unions and management exchange information freely;
- Unions and management respect each others goals;
- Unions are involved in making strategic management decisions

## ASSESSING NURSING HOME PERFORMANCE

### FINANCIAL MEASURES

- Nursing care expenditures
- Gross operating margin
- Administrative expense

### CUSTOMER MEASURES

- Organizational reputation
- Resident satisfaction
- Community support

### INTERNAL EFFICIENCY MEASURES

- Overall operating efficiency
- Residency food quality
- Adverse consequences

### EMPLOYEE MEASURES

- Employee training expenditures
- Employee morale
- Organizational conflict

## RESEARCH FRAMEWORK OF STUDY

- MAIL SURVEY TO CEOs OF CANADIAN NURSING HOMES
- 498 NURSING HOMES WITH 10 OR MORE FULL-TIME EQUIVALENT EMPLOYEES
- 57 PERCENT RESPONSE RATE
- 78.8 PERCENT OF RESPONDENT NURSING HOMES WERE UNIONIZED
- 231 ORGANIZATIONS COMPRISED STUDY SET
- LARGE URBAN NURSING HOMES SLIGHTLY OVER-REPRESENTED
- 74 PERCENT OF NURSING HOMES HAD IMPLEMENTED A FORMAL CQI PROGRAM

## STUDY VARIABLES

- DEPENDENT VARIABLES:
  - PERCEPTION OF CHANGE IN ORGANIZATIONAL PERFORMANCE IN PRECEDING TWO YEAR PERIOD
  - BALANCED PERFORMANCE SCORECARD (3-ITEMS IN EACH)
    - FINANCIAL MEASURES
    - CUSTOMER MEASURES
    - INTERNAL EFFICIENCY MEASURES
    - EMPLOYEE GROWTH AND DEVELOPMENT MEASURES
- PRIMARY INDEPENDENT VARIABLES:
  - LABOR-MANAGEMENT CLIMATE (7-ITEM MEASURE)
  - LEARNING ORIENTATION (9-ITEM MEASURE)
- CONTROL VARIABLES:
  - ORGANIZATION SIZE
  - PUBLIC/PRIVATE

## STUDY ANALYSIS

- CATEGORICAL REGRESSION ANALYSIS
- FOUR CATEGORIES OF NURSING HOMES
  - GROUP ONE: HIGH LEARNING/FAVORABLE L-M CLIMATE
  - GROUP TWO: HIGH LEARNING/UNFAVORABLE L-M CLIMATE
  - GROUP THREE: LOW LEARNING/FAVORABLE L-M CLIMATE
  - GROUP FOUR: LOW LEARNING/UNFAVORABLE L-M CLIMATE
- ENTER FOUR NURSING HOME CATEGORIES
- ENTER CONTROL VARIABLES

## STUDY FINDINGS

- NURSING HOMES WHICH SCORE HIGHEST IN LEARNING ORIENTATION WERE MORE LIKELY TO HAVE HIGHER CUSTOMER (IE. RESIDENT) AND EMPLOYEE MEASURES OF ORGANIZATIONAL PERFORMANCE
- LEARNING ORIENTATION OF NURSING HOMES WAS VARIABLY RELATED TO MEASURES OF INTERNAL EFFICIENCY, AND UNRELATED TO MEASURES OF FINANCIAL PERFORMANCE
- NURSING HOMES WITH MORE FAVORABLE LABOR-MANAGEMENT CLIMATES ARE MORE LIKELY TO HAVE A STRONGER LEARNING ORIENTATION

## STUDY FINDINGS

- THE FAVORABILITY OF LABOR-MANAGEMENT CLIMATE, IN THE ABSENCE OF A STRONG LEARNING ORIENTATION, WAS FOUND TO HAVE WEAKER ASSOCIATIONS WITH MOST PERFORMANCE VARIABLES STUDIED
- NURSING HOMES THAT PERFORMED THE BEST WERE THOSE ORGANIZATIONS THAT HAD BOTH A STRONG LEARNING ORIENTATION AND FAVORABLE LABOR-MANAGEMENT CLIMATES
- NURSING HOMES WITH A STRONG LEARNING ORIENTATION, EVEN IN THE ABSENCE OF A FAVORABLE LABOR-MANAGEMENT CLIMATE, WAS FOUND TO HAVE STRONGER ASSOCIATIONS ON A NUMBER OF VALUED CUSTOMER AND EMPLOYEE MEASURES

### **STUDY LIMITATIONS**

■ ANY STUDY CONCLUSIONS ARE INITIAL, EXPLORATORY, AND TENTATIVE

■ OPERATIONALIZATION OF "ORGANIZATIONAL LEARNING" : ARE WE REALLY MEASURING AN ORGANIZATION'S CAPACITY TO LEARN?

■ PERCEPTUAL MEASURES OF ORGANIZATIONAL PERFORMANCE: DO THEY EQUATE WELL WITH MORE OBJECTIVE MEASURES OF ORGANIZATIONAL PERFORMANCE?

■ MONO-METHOD BIAS: DO ASSESSMENTS FROM SINGLE RESPONDENTS LIMIT VALIDITY OF STUDY FINDINGS?

■ THE NATURE OF THE INTERACTION MECHANISM BETWEEN ORGANIZATIONAL LEARNING AND LABOR-MANAGEMENT CLIMATE ON ORGANIZATIONAL PERFORMANCE IS NOT WELL-UNDERSTOOD