

Examining the Impact of Organizational Learning Change on Performance

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Abstract. The most effective approach for enterprises is to develop effective methods that attract, retain, and motivate employees. This task is more complex for competitors to replicate compared to financial, marketing, operations, and production management. Reaching the highest level of human capital efficiency requires strengthening organizational learning and developing strategies for change. Therefore, this study aimed to examine the connection between corporate performance and an array of determinants, including organizational learning and change dynamics. The manifestation was presumed to precipitate a decrement in the corporate performance metric when allowed to persist unchecked. A total of 149 perceptions of manufacturing corporate managers were collected and analyzed using structural equation modeling (SEM). The results showed that organizational learning and change were determinants of corporate performance-based total performance scorecard and the contribution extended beyond empirical evidence. Furthermore, it provided actionable insights for stakeholders and corporate stewards, facilitating a comprehensive appraisal of alternatives to enhance corporate performance through an incisive exploration of the determinative factors. The results underscored the role played by the dual focal variables in engendering the augmentation of the manufacturing corporate performance within the Indonesian landscape.

Keywords: Organizational learning, Organizational Change, corporate performance, total performance scorecard

1. Introduction

Human resources are a key component in corporate, and these two variables are directly proportional. The most potent factor in achieving a competitive advantage is the provision of human capital (HC) related to its management (Rusdin, 2015; Tahir et al., 2019). Human management is a technique that tends to be effective in finding unique ways to attract, retain, and motivate employees (Rusdin, 2019; Tahir et al., 2019). Therefore, corporate must have good employees (Andry, J. F. et al., 2020) to solve the necessary tasks (Mello, 2017; Ulrich 2018). Discretionary activities are directed at learning and promoting employees engagement, participation, knowledge sharing, and acceptance of failures (A. Obeidat & Otibi, 2015).

The presented symptom is connected with the state of corporate performance, which presently stands as commendable but falls short of being optimal. This particular state finds its manifestation in facets such as organizational learning, capability, and change. The exhibited symptom serves to indicate that corporate performance remains relatively frail despite the undertaken stock issuance. The symptom raises suspicions that the persistence may potentially engender a decline in corporate performance when unchecked.

The concept is associated with the results of Serrano & Robledo (2013), where the capabilities of corporate that support the achievement of corporate goals of systemic innovation are the result of strategic and operational management. These capabilities must be identified in each dimension of corporate to respond and adapt to the changing environment, enabling relationships with systems of innovation as well as the creation and dissemination of knowledge with a serious contribution to the development of technology, economy, and society (Serrano & Robledo, 2013; Amini & Pirali, 2016; Chatzoglou & Chatzoudes, 2018; Yao & Qin, 2016).

The innovation in question is underpinned by seven fundamental categories of technological innovation capacity. These categories have been designed to suit the context of Higher Education Institutions (HEIs) and are defined as follows: (1) R&D capabilities: organizational skills for idea creation, strategy, implementation, project portfolio management and R&D transfer, (2) Production ability: organizational skills to turn R&D results into products, (3) Strategic planning ability: skills to establish policies, programs, and strategies for development and implementation in accordance with the vision and mission of corporate, determined by its context, (4) Organizational relationship ability: skills for effective interaction in permanent integration with innovation system actors at the local, national and international levels, (5) Organizational learning ability: skills to manage knowledge and build learning, (6) Resource management ability: organizational skills to manage, acquire and allocate resources appropriately for innovative development, and (7) Marketing ability: skills to advertise and sell products, innovation based on understanding the needs of society, costs, benefits, competitive environment, and acceptance of innovation (Serrano & Robledo, 2013).

The reality shows that manufacturing corporate have not perfectly met the above criteria. Even though innovation is widely known as a means of improving corporate performance (Liao, et., al., 2017), many corporate are not able to maximize the concept (Zollo dan Winter, 2012). Many studies focused their attention on the analysis of organizational factors. This case highlights the simultaneous influence of factors organizational learning and organizational capabilities (Latemore, 2014; Edú-Valsania et al., 2016; Chang, 2016) to improve performance by implementing sources of knowledge (Liao, et., al., 2017).

Referring to the description above, it is quite argumentative to determine the reason organizational learning and change are estimated to affect corporate performance. This stems from the inherent interconnection among organizational dimensions, namely individual mastery, mental models, shared vision, team learning, and systematic thinking. These dimensions cannot be disentangled when conducting performance assessments in the comprehensive framework of total scorecard performance, where the essence of personal identity is entrenched. To address this amalgamation, a synthesis and

evolution of the concepts of Balanced Scorecard (BSC), Total Quality Management (TQM), Competence Management (CM), and Learning Cycle (LC) is imperative. This integration strives to culminate in outcomes achieved by enterprises through a methodical process of incessant enhancement, growth, and learning. The approach is characterized by its incremental, structured, and habitual nature, with a primary focus on the ongoing enhancement of individual and corporate performance (Rampershad, 2005, 2006; 2008).

The research question pertains to assessing the extent of the concurrent impact of organizational learning and change on corporate performance within the context of manufacturing corporate in Indonesia. The aim is to obtain empirical evidence, which is evaluated on the magnitude of organizational learning and change based on total performance scorecard.

This study makes a practical and theoretical contribution as empirical proof in forming a Determinant of Corporate Performance model based on total performance scorecard. Furthermore, it can practically be a study for corporate in obtaining alternatives to improve Corporate Performance by paying attention to determining factors. A literature review shows that this study has not been conducted in related dimensions such as determinants of corporate performance based on the total scorecard, which is important for public corporate in countries.

2. Literature Review

According to McAfee & Brynjolfsson (2012), big data is revolutionizing management practices and research, which is increasingly gaining attention in the academic literature (Fosso Wamba et al., 2019). Several studies on the extraction of value from big data have been conducted. For example, Singh & El-Kassar (2019b) developed a holistic model and found that big data and predictive analytics positively influenced corporate performance. Dubey et al., (2019) found that big data analytics capabilities had a significant positive effect on supply chain agility and competitive advantage based on results from automotive component manufacturing corporate in India.

Fosso Wamba et al., (2019), using data from 302 business analysts in France and the US, stated that the general quality of the information in big data analytics also had a significant favorable impact on corporate performance (see also Fitriati & Mulyani, 2015; Masri et al., 2020). Acharya (2021) found that big data helped in the co-creation of data-driven knowledge from four fashion retail corporate. Even though previous study uncovering the transformative potential of big data, elucidated its role in engendering transparency, enabled empirical exploration of requisites, facilitated adaptive responses within diverse demographics, augmented human decision-making, fostered innovation in nascent enterprises and collaborative creation (Acharya, 2021; Fosso Wamba et al., 2019; Singh & El-Kassar, 2019b), certain questions have directed their focus towards the domain of talent management within the ambit of the big data era, as evidenced in McAfee & Brynjolfsson (2012). Due to the increasing affordability and accessibility of data, coupled with the necessary departure from traditional standards of data quality, this evolution is underscored by "5 Vs" serving as defining attributes of the big data era, namely Volume, Velocity, Variety, Value, and Veracity. This paradigm shift has introduced a transformative landscape, reshaping various facets of operations. Among the transformative backdrop, the significance of talent management within corporate assumes paramount importance (Acharya, 2021; McAfee & Brynjolfsson, 2012). Furthermore, Thunnissen (2016) contributed to this discourse by delving into the dynamics of talent management, developing a comprehensive ethical theoretical framework to consider the intricate interplay of organizational contexts and stakeholders.

2.1 Organizational Learning

Organizational learning shows exceptional learning abilities under a systematic pattern. Additionally, the variable fosters learning in all individuals, and provides value that institutionally enhances organizational culture (Pedler, Burgoyne, and Boydell, 1991; Senge, 1994; Saramolee, et al., 2022). According to (Yusoff, 2019; Mikula, 2020; Saramolee, et al., 2022), the following five characteristics

can be used to describe organizational learning.

Individual mastery: Individual learning entails pursuing behavioral goals to prepare for ever-changing circumstances. All topics, including learning, thinking, practicing, and anticipating desired results, should be included in individual learning.

A mental model is a hypothetical worldview that describes how people interpret information based on collective experience in a context, generating thought patterns. Corporate should promote their employees to use this mental model, put the concept into practice, and aggressively pursue education.

Shared vision: Everyone in corporate is aware of the anticipated common goals. Therefore, operational management in the current era requires a shared vision. Any process implemented at an organizational scale should be structured with a shared, universally recognized, and mutually agreed-upon vision that includes clarity and coherence. The act of making well-informed decisions for a business necessitates the integration of diverse perspectives and ideas, a function effectively facilitated by the concept of team learning. In team learning, the collaborative exchange of knowledge fosters an environment conducive to generating a plethora of insights. Consequently, team learning ought to serve as a catalyst, empowering and inspiring each individual to leverage their competencies in the pursuit of professional undertakings.

Team Learning- learning generates a variety of thoughts or ideas for corporate to make the most beneficial decisions. Team learning should facilitate and promote all team members to optimize their capabilities while working.

System thinking is the core of organizational learning and connects ideas, arguments, and synergies into a network of interdependencies, connections, and recurring patterns. System thinking engenders a transformative shift in perspectives and in the aftermath of encountering challenges, the collective adaptation of cognitive frameworks ensues. This process involves an assessment to ascertain whether the issues stem from the actions of fellow team members, external contextual factors, or individual contributions.

In the literature, a proposition emerges delineating the process of Organizational Learning as inherently social and collective in nature, firmly rooted within practical contexts. This multifaceted process includes the domains of knowledge acquisition, distribution, interpretation, and codification (Huber, 1991; Sinkula, 1994; Santos-Vijande et al., 2012). Furthermore, Bartsch, et al., (2013), Nieves & Haller (2014), and Liu (2018) concluded that one indication of the variable in corporate is the use of newly acquired knowledge. This recognition has the potential to improve the understanding of how organizational learning occurs. Conceptualized organizational learning, has been used in Indonesia, namely study in the hotel and tourism corporate (Lemmetynen & Go, 2009; Thomas & Wood, 2015). Organizational learning can be interpreted as the process of instilling all members of corporate to identify problems and determine new ways to solve these problems in improving organizational effectiveness (Argyris, (1999); Schermerhorn et al. (2010); Ivancevich et al. (2013); Gephart & Marsick (2016); Wheelen & Hunger (2017)).

2.2 Organizational Change

The purpose of organizational change is to modify procedures and systems, organizational structures and responsibilities, and skills (Gupta, 2017). In the new construction, managers must support employees to get through the changes (Hao & Yazdanifard, 2015). This variable is related to how to *manage* organizational change, how technology is needed in in the era of globalization, and how important training is for employees when facing changes (Rosyida, Harja, dan Tahir, 2020).

The goal of organizational change is to modify procedures and systems, organizational structures and responsibilities, and skills (Gupta, 2017). In new construction, managers are indispensable to support employees to get through the changes. At every level, they must have the knowledge necessary to achieve continuous change to support staff through stressful periods. To be successful in the era of globalization (Hao & Yazdanifard, 2015), organizational change needs to focus on the following: (1)

Move from the idea of competition to cooperation, serving the world, (2) Identification of consumer needs should be the primary objective, (3) Recognize and invest in the benefit of corporate, and (4) Recognize the position of individuals involved in and around its organizational structure (Rizescu & Tileagă, 2017).

2.3 Corporate Performance

Carton & Hofer (2006) interpreted corporate performance in the context of corporate from 5 (five) perspectives, namely: (1) Accounting Literature, (2) Balanced scorecard (BSC); (3) Strategic Management, (4) Entrepreneur, and (5) Microeconomy, essentially describing the results achieved by a business entity (corporate). A comprehensive evaluation of corporate is referred to as corporate performance. Business analytics includes analyzing corporate performance as a core component. This is pertinent to the health of corporate frequently assessed in terms of financial performance (Khelif, Guidara, and Souissi, 2015). Tjahjadi, Soewarno, and Gunawan (2020) analyzed the relationships between funding readiness and business success and found that the accessibility of data capital directly enhanced business performance.

Corporate performance is based on a total performance scorecard (TPS), an approach from the inside out pointing to personal identity, combining and developing the concepts of Balanced Scorecard (BSC), Total Quality Management (TQM), Competence Management (CM), and Learning Cycle (LC). This is defined as the results achieved by corporate through a systematic process of continuous improvement, development and learning, Gradual, and routines focused on continuous improvement of individual and corporate performance (Rampersyad, 2005,2006; 2008).

In recent years, the concept of corporate health has expanded with business sustainability. Corporate health is considered relevant to financial considerations and social responsibility factors, reputation, innovation, employees morale, and productivity are also important (Dzenopoljac, et al., 2017). This result is in line with Bogićević, Domanović and Krstić, (2016), where corporate performance reporting considers financial criteria and reflects both internal and external environments. Meanwhile, the activities of organizational learning have a direct impact on the efficiency of corporate performance (Park and Choi, 2015).

Work performance decreases almost linearly as the number of stress variables increases, proving that environmental stress factors are additive. Significant changes and challenges are commonplace in the management revolution, and these may be seen as triggering challenges in corporate performance (Aikens et al., 2014; Randmaa et al., 2014; Tetrick & Winslow, 2015). In turbulent times, employees' adaptation process has become more complex and crucial. To become full-value workers, newly hired employees must adapt to corporate (Kubica, 2020).

Referring to the importance of human resources described earlier, organizational change is also an issue conducted with technological developments and environmental changes with rapid increase (Hamdi, 2018). Organizational trust increases the willingness of employees, job satisfaction, innovation and performance, but decreases the turnover rate (Malas, 2022).

The relationship between organizational learning and corporate performance can be explained in Fig. 1.

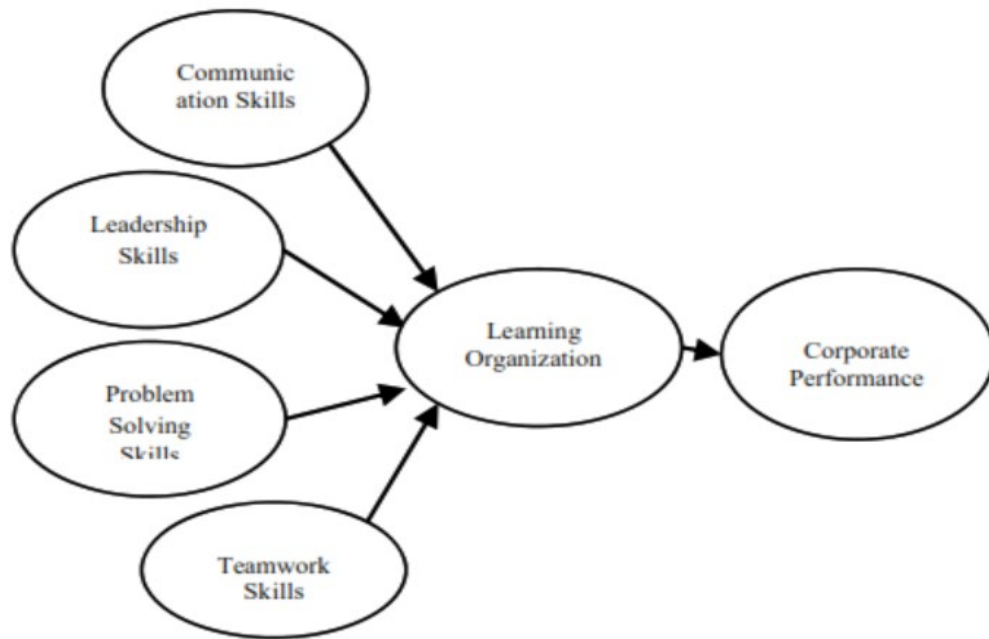


Fig. 1 The relationship between organizational learning and corporate performance
Source: Saramolee, et al., (2022)

According to Oh (2019), organizational learning affects corporate performance through the feedback learning flow compared to feedforward. Feedback learning is conducted by refining and developing the knowledge and skills possessed by employees. Corporate should facilitate employees in the process of developing such knowledge and skills. Organizational learning requires a certain strategic posture that facilitates the approach of achieving better performance and the variable has beneficial effects on Corporate Performance (Zollo & Winter (2002); Prieto & Revilla (2006); Wang (2008); William E. Baker & Sinkula (2009)).

The study by Saramolee, et al., (2022) showed that even though employees of 5-star hotels attained a high level of professional and social skills, continual improvement should be considered. For example, training and workshops in professional skills improvement can influence employees' development in organizational learning. As statistically proven employees' professional and social skills improvement results in the development of more effective performance of organizational learning. Saramolee, et al., (2022) showed that operations did not rely on the work of individuals alone regarding the development of teamwork skills for employees working with internal and cross-departmental contacts. Therefore, teamwork is essential to corporate accomplishing its goals. Corporate can organize activities, specifically workshops, designed for employees to practice and develop teamwork skills. Role-playing activities focused on working across departments of corporate are essential to understand the roles and responsibilities of their colleagues. The workshops can also help employees to understand personal differences, respect and accept ideas raised by others, reduce conflict, develop a positive approach to problems, and manage personal conflicts with intelligence and equality.

The results of study conducted on the influence of change management on corporate performance resulted in that individual factors in the change management dimension became the most significant factors affecting corporate performance, followed by organizational change process and organizational factors. In general, all dimensions of change management affect corporate performance. Indicators with greater correlation to corporate performance are leadership and organizational readiness in diagnosing change. Therefore, the success of a change program depends on the leader and the readiness before the implementation.

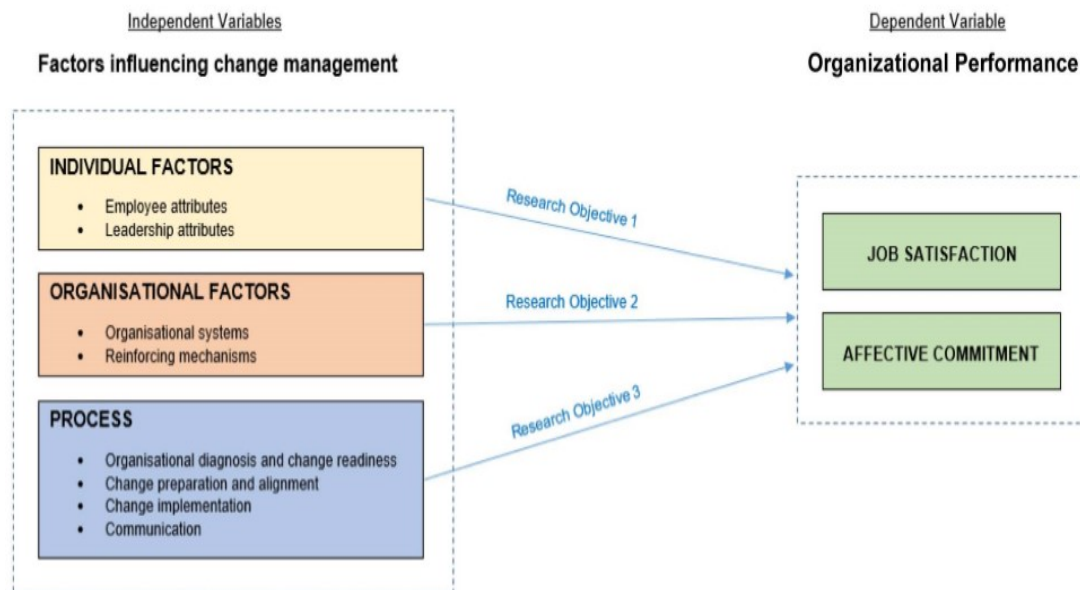


Fig. 2 The relationship between organizational change and corporate performance
Source: Choy (2017)

The results of Marta-Dominiguez, Gonzales, and Barroso (2015) show how the process of organizational change takes place over time and its potential consequences for corporate. Corporate ethics are subjected to a strategic change based on the existing literature on the process of change to capture the existing reality. Other results identify important patterns of organizational strategic change. This determines when is the right time to use this sequence to improve corporate performance.

The results of Tsai and Shih (2013) showed how a media corporate conducts organizational change and dynamic capability affecting the financial performance of corporate in the long run. Linlin, Juan, and Maoqing (2016) reported that corporate performance is influenced by human capital, innovation, and organizational change. Wen-Ting and Yunshi (2013) showed a negative impact of organizational change on corporate performance which was relatively low.

3. Study Method

Information on all manufacturing corporate amounts to 29,127 active medium and large corporate. Corporate are "medium" when they have a workforce of 20 and 99 people, and are categorized as "large" with a workforce of 100 or more people. Information on data surveyed 149 of Indonesia and the "big data-driven" agenda was underlined in their public documents. The replication of big data-based strategies gives manufacturing and service corporate a competitive advantage in this era of the management revolution (McAfee & Brynjolfsson, 2012). Business leaders are urging their corporate to adopt big data strategies, as the benefits become increasingly apparent (Gobble, 2013; Wamba et al., 2020).

To minimize the bias of the methods, a set of questionnaires was adopted to collect data from various sources. Each manager is asked to fill out a questionnaire that assesses organizational learning, organizational change, and organizational capabilities simultaneously and partially affecting corporate performance. In addition, demographic information on middle managers includes their gender and educational background and grouping of manufacturing corporate is shown in Table 1.

Table 1. Population Size and Study Sample

Group of Corporate	Size (unit)	
	Population	Sample
Food and Beverages products	1.228	6
Tobacco products	1.135	6
Textiles	2.169	11
Apparel & Other Textile Products	1.142	6
Lumber & Wood Products	1.012	5
Wood and of products of wood and cork, except furniture	1.096	6
Manufacture of articles of straw and plaiting materials, bamboo, rattan and the like	1.015	5
Paper & Allied Product	1.106	6
Printing and reproduction of recorded media	1.016	5
Coke and refined petroleum products	1.107	6
Plastic & Glass Products	1.017	5
Adhesive	1.209	6
Machinery	1.109	6
Coke oven products	1.017	5
Cable	1.369	7
Garment	2.108	11
Electronic & Office Equipment	2.007	10
Automotive & Allied Product	1.018	5
Photographic Equipment	918	5
Pharmaceuticals, medicinal chemical and botanical products	2.012	10
Rubber and plastic products	920	5
Other non-metallic mineral products	521	3
Basic metals fabricated metal products, excepts machinery and equipment	954	5
Other Manufacturing	922	5
Total	29.127	149

Source: Central Bureau of Statistics; Department of Industry; Ministry of Trade, Indonesia (2023), data processed by authors

Note: The sample size is calculated by the formula: the population size of corporate group divided by the entire population size multiplied by 149 corporates. The validity and reliability use IBM-SPSS25 application showed that Organizational Learning (Cronbach's Alpha 0,942); Organizational Change (Cronbach's Alpha 0,939); Total Performance Scorecard (Cronbach's Alpha 0,929).

3.1 Steps

Respondents rated the measure on a Likert scale of five points, namely Strongly Disagree (1), Disagree (2), Hesitate (3), Agree (4) and Strongly Agree (5) using the study Argyris (1999), Schermerhorn, *et al* (2010), Ivancevich, Konopaske, dan Matteson., (2013), Gephart dan Marsick., (2016), Wheelen & Hunger, 2017). Measuring organizational learning (using 5 items) was conducted by combining thinking systems, mental models, personal mastery, teamwork, and building a shared vision. The validity and reliability of the IBM-SPSS25 application showed organizational learning (Cronbach's Alpha 0,942).

Measuring organizational change (using 3 items) was achieved by combining the **organizational aspects** (Ability to create change management strategies, Ability to plan for change, Ability to design communication, and training programs to prepare employees for change, Ability to evaluate the results of the program of changes to the performance of the organization), **individual aspects** (Ability of employees to develop themselves to face change, Ability of employees to participate in the change process, Ability to achieve good overall control over general corporate performance, corporate creates incentive programs and rewards employees in the process of change), and **process change** (Ability of corporate and employees to detect changes, Ability of corporate and employees to face changes, Ability of corporate and employees to implement changes, Ability of corporate and employees to communicate

changes) (Cronbach's Alpha 0,939).

Corporate performance refers to study conducted by Becker, Huselid, dan Ulrich, (2008), Madalina, (2008), Rampersad (2008); Makhijani, Rajendran, & Creelman (2009), Aguinis (2009), Kessler (2011), Rudiyanto, Prayitino and Rusdin (2019). Corporate performance is assessed using total performance scorecard approach, consisting of customer satisfaction, consistent personal and organizational goals, passion and enjoyment, ethics and fact-based behavior, process orientation, focus on improvement, development, and continuous learning (Cronbach's Alpha 0,939).

3.2 Stages of Validity and Reliability Testing

The validity test was carried out based on the results of the significance test of the standard loading estimate on the measurement model. The objective information reported that all indicators in the latent variable showed a significant value with $p < 0.001$ and the value of each loading indicator was greater than 0.50. Cronbach's Alpha (α) reliability test was calculated using the SPSS version 25 program, with an acceptance parameter > 0.70 . Meanwhile, Construct Reliability (CR) and Average Variance Extracted (AVE) were calculated manually with the following equation:

$$CR = \frac{(\sum_{i=1}^n \lambda_i)^2}{(\sum_{i=1}^n \lambda_i)^2 + (\sum_{i=1}^n e_i)} \quad AVE = \frac{(\sum_{i=1}^n \lambda_i^2)}{n}$$

Note:

λ^2 =Standardized factor loading for item I; i=item; e: respective error variance for item i; n=number of indicators.

CR parameter must have a value greater than 0.7, and the indicator was reliable for measuring latent variables. The recommended value for AVE parameter must exceed 0.5. From the results of data processing the parameters Cronbach's Alpha, CR, and AVE met the acceptance criteria, hence, the indicators used were declared reliable.

3.3 Model Fit Test

Each item within the questionnaire is evaluated through a 5-point Likert scale, spanning from 1 to 5. A score of 1 signifies strong disagreement on the part of the respondent, while 5 indicates a strong agreement with the statement presented. The design includes two distinct independent variables, namely organizational learning and change. A mediating variable, denoted as organizational changes, also features within the framework. This intricate interplay of variables serves as the foundation for the exploration of the dependent variable, denoted as corporate performance predicated on total performance scorecard. To facilitate data collection, the instruments have been crafted based on pertinent antecedent studies within the field.

Data Analysis Strategy

Using the route analysis method, the hypothesis was tested and a bootstrap study was conducted to determine the significance of the indirect effect, using the Lisrel 8.8 application to measure the Structural Equation Modeling (SEM), and moderated mediation. Significant tests were also performed for indirect effects using bias-corrected confidence intervals originating from 5,000 bootstrap samples.

Under the hypothesis proposed, inferential hypothesis testing/verification with SEM was used, arguing that this model was an integrated approach between *Confirmatory Factor Analysis*, *Structural Model*, and *Path Analysis*. This is in line with the views of Jöreskog and Sörbom (2006) where using SEM obtained three benefits namely: (1) checking the validity and reliability of the instrument (equivalent to *the Confirmatory Factor Analysis* (CFA)), (2) testing relationships between latent variables (equivalent to *Path Analysis*), and (3) obtaining useful prediction models (equivalent to

regression analysis with *Structural Models*). This study shows the level of general applicability or generalization of the results, limited to the phenomena occurring at the study location.

4. Results

Latent variables performance based on total performance scorecard consists of 6 dimensions, namely: Focus on Customer Satisfaction, consistent Personal and Organizational Goals, Passion and Enjoyment, Ethics and Behavior Based on Facts, Process Orientation, as well as Focus on Improvement, Development, and Continuous Learning. The latent variable of performance based on total performance scorecard consists of 21 observed indicators with 1 invalid indicator, namely TPS15, hence, there are 20 indicators observed as shown in Table 2 below:

Table 2. Perceptions of Performance Respondents Based on Total Performance Scorecard

Code	Statement	Mean	SD
TPS1	In my opinion, all my daily work activities are aimed at meeting the needs of customers	4.61	0.644
TPS2	In my opinion, customer satisfaction is the number one priority	4.76	0.633
TPS3	In my opinion, corporate systematically collects data on changes that occur to the behavior and or needs of customers	4.48	0.684
TPS4	It seems to me that managers and employees have formulated personal goals according to the balanced-scorecard together and monitored their implementation	4.38	0.692
TPS5	In my opinion, the determining factors of success, goals and performance benchmarks of corporate have been formulated and communicated to all employees	4.57	0.629
TPS6	In my opinion, managers have acted an Action-oriented coach to get the job done	4.46	0.692
TPS7	In my opinion, employees are involved voluntarily and proactively in completing daily work	4.37	0.774
TPS8	In my opinion, the team has an open communication pattern and has a trusting attitude	4.38	0.768
TPS9	In my opinion, making mistakes is allowed because employees will always learn from mistakes	3.17	1.359
TPS10	In my opinion, have been getting feedback for improvements to the work that has been done	4.11	0.798
TPS11	In my opinion, corporate has agreed business ethics guidelines	4.6	0.624
TPS12	In my opinion, the behavior of employees is based on high moral standards	4.53	0.643
TPS13	In my opinion, the assessment of individual colleagues is based on ability and tangible results based on performance benchmarks and predetermined targets	4.46	0.632
TPS14	In my opinion, mistakes are considered an opportunity for improvement, in order to get better	4.09	0.932
TPS15	In my opinion, improvement, development, and learning is a continuous process gradually	4.52	0.611
TPS16	In my opinion, corporate promote different learning styles in order to obtain a better process	4.36	0.669
TPS17	In my opinion, the formulation of a capability profile with a performance plan of individual employees has resulted in the development of work-related abilities with a focus on the effective fulfillment of tasks	4.33	0.631
TPS18	In my opinion, it has been improving myself regarding work as a trigger for other employees to improve themselves which has an impact on corporate improvement	4.4	0.646
TPS19	In my opinion the emphasis is on continuous improvement based on the Deming Plan, Do, Action (PDCA) learning cycle	4.41	0.717
TPS20	In my opinion, it has made improvements based on a continuous and well-documented cross-functional approach	4.23	0.692
TPS21	In my opinion, a work climate has been created where improvement, development and learning are carried out continuously, regularly and become a habit of daily work (lifestyle)	4.37	0.701
Corporate Performance-Based Total Performance Scorecard		4.42	0.486

Source: Output SPSS (2023)

Based on the *Standardized Loading Factor*, all indicators have values above 0.70 or 0.5. Therefore, the observed indicators can be incorporated into the model. The reliability of the measurement model is seen through the calculation of CR and AVE.

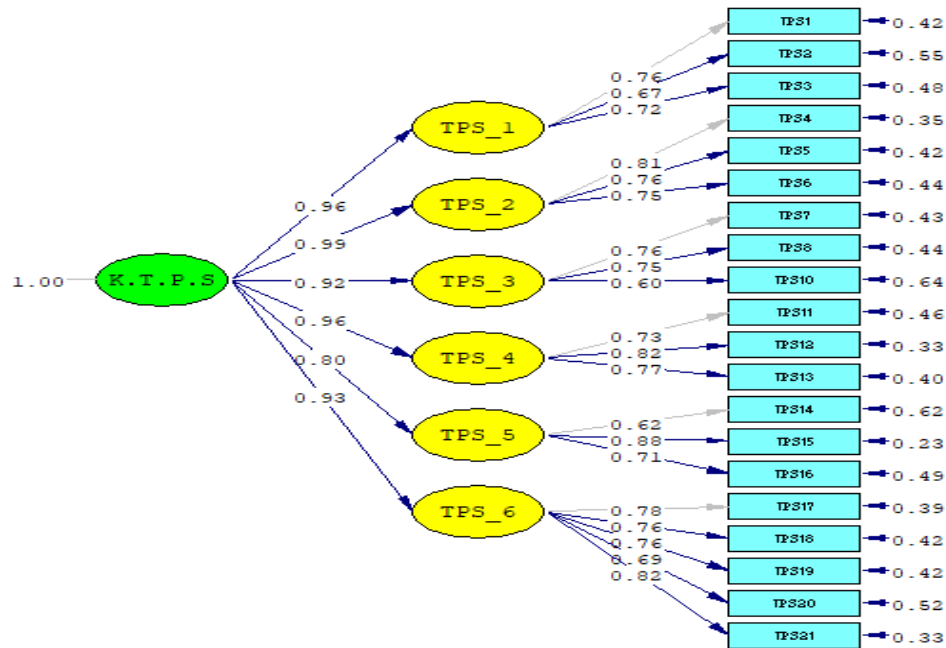


Fig. 3 Corporate Performance based on Total Performance Scorecard
Source: Processing Results with LISREL 8.80 (2023)

The latent variable of organizational learning consists of 5 latent dimensions, namely Thinking system, Mental model, Mastery of the personal, Teamwork, and Building a shared vision. The latent variables of organizational learning consist of 22 indicators, as seen in the figure below:

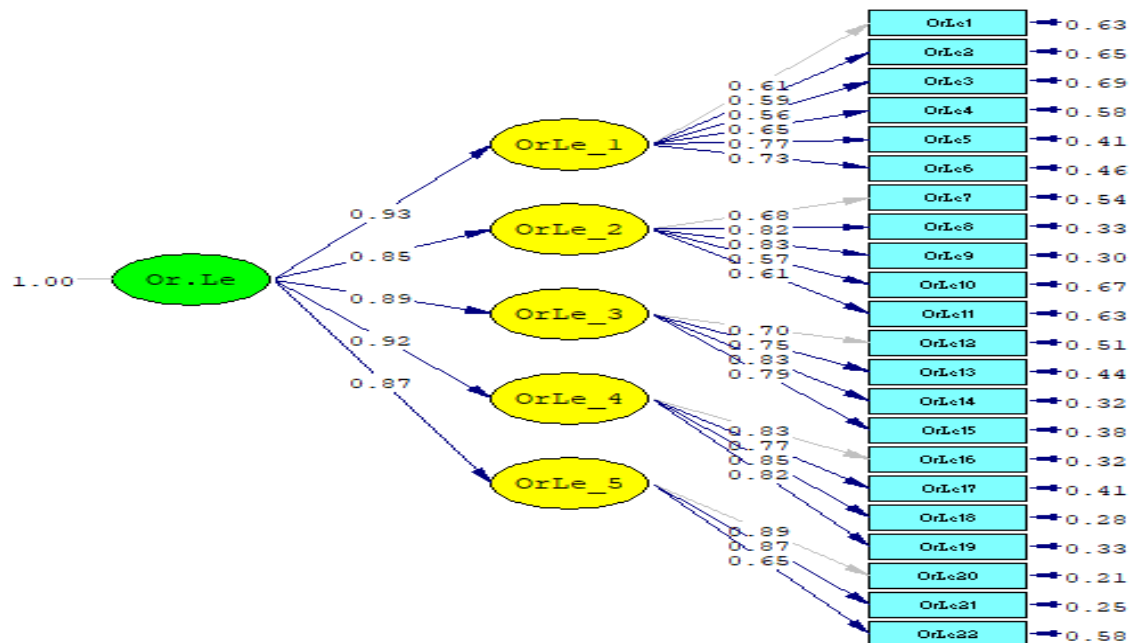


Fig. 4 Construct of Organizational Learning
Source: Processing Results with LISREL 8.80 (2023)

The formula used for counting CR and AVE is as follows:

$$\text{Construct Reliability} = \frac{(\sum \text{std loading})^2}{(\sum \text{std loading})^2 + \sum e_i} ; \text{Average Variance Extracted} = \frac{\sum \text{std loading}^2}{\sum \text{std loading}^2 + \sum e_i}$$

The results of CR and AVE calculations can be seen in the following Table:

Table 3. Organizational Learning Reliability Test

Construct	Var	Std Loading	Error	Std Loading ²	CR	AVE
Organizational Learning	Systems Thinking	0.93	0.13	0.86	0.95	0.80
	Mental Model	0.85	0.27	0.72		
	Mastery of the personal Teamwork	0.89	0.21	0.79		
	Systems Thinking	0.92	0.16	0.85		
	Mental Model	0.87	0.24	0.76		

Source: Processing Results with LISREL 8.80

The CR value of the five dimensions of the latent variable organizational learning is 0.95 and the resulting AVE value is greater than 0.5 which is 0.80. Therefore, the five latent dimensions of the organizational learning variable have met the reliability requirements. The latent variable includes organizational aspect, individual aspect, and change process, consisting of 12 observed indicators, as shown in the figure below:

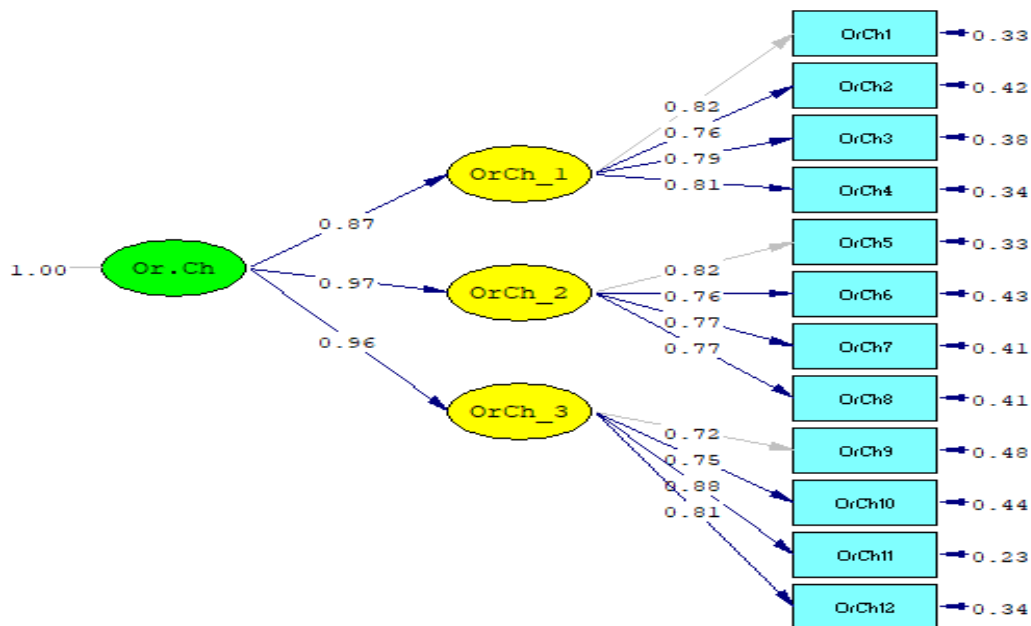


Fig. 5 Construct of *Organizational Change*

Source: Processing Results with LISREL 8.80

Based on the Standardized Loading Factor value, all indicators are above 0.7 or 0.50. This shows that the observed indicators of OrCh1 – OrCh12 can be incorporated into the model. Furthermore, the measurement model is determined through the calculation of CR and AVE and the results are presented in the following Table:

Table 4. Organizational Change Reliability Test

Construct	Var	Std Loading	Error	Std Loading ²	CR	AVE
Organizational Change	Organization Aspect	0.87	0.23	0.76	0.96	0.88
	Individual Aspect	0.97	0.06	0.94		
	Change process	0.96	0.07	0.92		

Source: Processing Results with LISREL 8.80 (2023)

The CR value of the three dimensions of the latent variable organizational change is 0.96 and the resulting AVE value is greater than 0.5 which is 0.88. Therefore, the three latent dimensions of the organizational change variable have met the reliability requirements.

Rizescu & Tileaga (2017) showed that managers were required to possess the requisite knowledge to facilitate ongoing changes and to provide assistance to staff during periods at each organizational level. Diverse mindsets and disparate value systems were found to contribute significantly to achieving heightened success. To be successful in the globalization era, organizational change needs to be focused on the following: (1) Moving from the idea of competition to the idea of cooperation, serving the world, (2) Identification of consumer needs should be the main goal, (3) Recognize and invest in the profit of corporate, and (4) Recognize the position of the individual involved in and around the organizational structure (Rizescu & Tileagă, 2017).

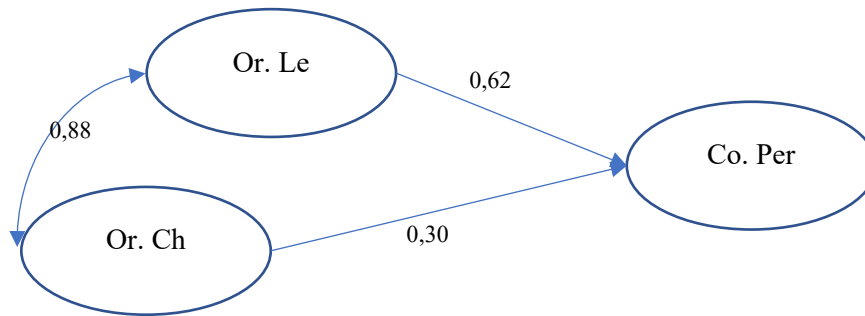


Fig. 6 Corporate Performance Model

Source: Model SEM is output LISREL 8.80 (2023)

Note: Or. Le = Organizational Learning; Or. Ch =Organizational Change; Co. Per =Corporate Performance

In the results of data analysis using SEM and LISREL 8.80 application software processing tool, a summary of the model suitability index in Table 5 was obtained.

Table 5. Model Conformity Index

Goodness of fit index	Criteria (cut-off value)	Result	Conclusion
X ² - Chi-square	Expected small	5646.55	
Significance probability	< 0.05	0.000	Model not fit
RMSEA	≤ 0.1	0.070	Model fit
NFI	≥ 0.90	0.92	Model fit
NNFI	≥ 0.90	0.96	Model fit
CFI	≥ 0.90	0.96	Model fit
IFI	≥ 0.90	0.96	Model fit
RFI	≥ 0.90	0.92	Model fit

Source: Processing Results with LISREL 8.80

Organizational change is rooted in a deliberate style of thinking or operation with adaptation to improve performance. This increase in performance is important to develop corporate, success, and survival in an environment constantly changing (DeGhetto, Russell, & Ferris, 2017) (Liao & Ai Lin, 2018)

According to the degree of intentionality, there are two types of organizational change, namely (1) Planned changes: Controlled changes from the current organizational system subjected to changes, and (2) Spontaneous change: A change occurring without direction from the agent of change (Dolyatovskiy, Barnagjan, & Dolyatovskiy, 2019).

Characteristics of organizational change (Yi, Gu, & Wei, 2017) include (1) Types of change activities, (2) The process of change and implementation, (3) Inertia, describing obstacles in corporate, (2) The time at which the change occurred, (3) Depth to describe the extent of organizational change, and (4) The readiness of organizational change.

There are two causes of organizational change, namely internal and external factors. Internal factors are found within corporate due to internal conflicts/problems such as changes in goals and number of employees, and decreased morale. Problems are overcome through decision-making from organizational leaders, determining new policies to address existing problems. Organizational change is caused by external factors, namely government regulation, economic conditions, and competitor actions (Ulen, 2010). These external changes hinder growth and development in realizing corporate goals. This factor can be overcome using cooperation between corporate (Hassan & Mouakket, 2018) (Çelik & Özsoy, 2016). The results provided some of the first empirical data on the impact of positive leader trust and behavioral integrity perceptions on organizational trust (Malas, et al., 2022).

The success factors of organizational change (Appelbaum, Profka, Depta, & Petrynski, 2018), refer to the success of the model in (Tohidian & Rahimian, 2019) planning organizational change. These include creating urgency, forming a powerful guiding coalition, creating a vision, communicating the vision (Rajan & Ganesan, 2017), empowering others to act on the vision, planning for and creating short-term Wins - Quick Wins, consolidating improvement and producing more change, and institutionalizing a new approaches.

Corporate performance is conceptualized as the results achieved by corporate compared to the expected results or goals and objectives (Short, Kethen, Palmer & Hult, 2017). The level of corporate performance is determined by several factors including operational efficiency, mergers, acquisitions, diversification rates, organizational structure, compensation of top management teams, and political or social influences interfering with market suitability (Mankins & Steele, 2005). King (2007) also added the explanation that varying interpretations of social, international, and intercultural activities towards expansion and adaptation, and other organizational factors and or organizational phenomena were antecedents of corporate performance. Therefore, organizational learning and change simultaneously have a positive and significant effect on corporate performance.

5. Conclusion

In conclusion, the results of hypothesis testing and discussion were stated as follows: **First**, organizational learning affected organizational change, showing a positive relationship between the two variables. **Second**, organizational learning had a positive and significant effect on total performance scorecard-based performance. Therefore, a significant improvement in organizational learning results in an increase in performance based on total performance scorecard. **Third**, organizational change had a negative and insignificant effect on total performance scorecard-based performance. This showed that increasing organizational change did not positively affect performance based on total performance scorecard. **Fourth**, organizational learning and organizational change affected performance based on total performance scorecard. The effect of the variables on total performance scorecard-based performance was positive and significant, with organizational learning having the most dominant

influence.

For theoretical development, this study was used as empirical proof of the influence of organizational learning and change on corporate performance in organizational behavior theory and human resource management science. The characteristics of existing theories were added to empower organizational structure, design, and culture as components in building organizational theory. **For the theory of organizational behavior**, this study complemented the characteristics of existing theories to increase the role of individuals, groups, and systems in enhancing the output of human resources. **For practical development**, HR Management conducted this study to improve employees and corporate performance.

The results served as empirical evidence and information for stakeholders and corporate management in inventorying alternatives to improve corporate performance by studying determining factors. Improving the performance of the manufacturing corporate in Indonesia was determined by two main variables.

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