



# A Study on the Effects of Organisational and Employee Interventions on MSMEs' Existence as Learning Organisations

P. Srikanth Goud

Research Scholar, JJT University, Rajasthan

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## Article Info

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## ABSTRACT

*The need for flexible and dynamic organisations has significantly expanded with the advent of the 21st century. Organizations are expected to make future projections and act rapidly in response to any recently brought changes. Successful organisations can only be defined as those that have the capacity to accept and adapt to change. These businesses are referred to as learning businesses. Small and medium-sized businesses (MSMEs) cannot be an exception to this rule. The current study tries to determine whether or not MSMEs may be referred to as learning organisations. The firms or MSME surveyed were from the GIDC region in the districts of an and Nadiad. The goal of the current study was to establish a link between organizational interventions, personnel interventions, and organizational leadership and the MSMEs are organisations that learn. According to the research result, MSMEs operating in GIDC Nadiad and An and can be referred to as learning organisations because there is a substantial association between the dependent and independent variables of the study.*

**Key words:** Micro, Small and Medium Enterprises, Learning Organization, Organizational Interventions, Employee Interventions, Organizational Leadership.

## INTRODUCTION

Micro, Small and Medium Businesses (MSMEs) are viewed as engines for economic and social development in developing nations like India. Has also stressed that Indian economy also depends on MSMEs for its growth and development. Although though MSMEs are the main drivers of the nation's economic growth, they continue to face a variety of difficulties. MSMEs' ability to anticipate and address these difficulties effectively will be essential to their continued existence. Future success will go to all MSMEs that can adapt to the

world's shifting demands and meet them. This is only possible if MSMEs maintain a learning attitude for improvement on a regular basis and at all levels in their operations the organization.

A learning organisation is one that supports learning at all organisational levels, includes all members, and continuously alters itself, the research. However, a company can only be considered to as a learning organisation if it passes a set of minimal standards. The ability to learn in all available methods and adjust to new technology or changes comes first and foremost. MSMEs

may only be deemed to as learning organisations if they have the capacity to swiftly learn new skills.

## LITERATURE REVIEW

**Kyal, H., Mandal, A., Kujur, F. and Guha, S. (2022),** "Individual entrepreneurial orientation on MSME's performance: the mediating effect of employee motivation and the moderating effect of government intervention.

**Furthermore, according to Bidja&Mandizvidza (2017),** the growth of MSMEs is a very significant phenomenon because of what it does for regional and local economies, as well as for wealth creation, employment creation, innovation, and development. This highlights how critical it is for MSMEs to function as learning organisations that value ongoing development, growth, and learning.

**The study conducted by JohnyTarore (2016)** on determining the effects of organisational culture, learning organisations, empowerment, and organizational commitment on the Performance of SMEs proved that, whereas empowerment and organizational culture had direct effects on SMEs performance, organisational culture and learning organisations had direct effects on organisational commitment.

**(Koryak et al., 2015),** highlighting commitment and focusing on adaptation in high-speed development or underlining the achievement of organisational goals.

**(Leitch et al., 2013)** Entrepreneurial leadership is seen as an important factor in the growth of a new enterprise and is viewed as a power that supports the drive towards development.

**According to research by Richard Chou eke and Roger Armstrong (1998)** to determine whether learning organisations exist in small and medium-sized businesses, the development of a learning culture and the implementation of action learning will accelerate the transformation of these businesses into learning organisations. Except from that

**The Revans (1982)** action learning model has purposefully focused on action learning as a phenomena for the growth of small and medium-sized businesses, resulting in the creation of learning organisations.

**The Fifth Discipline by Peter Senge, published in 1980,** promoted the idea of a learning organisation. Several academics, researchers, and professionals began looking into whether an organisation qualifies as a learning

organisation as the idea of learning organisationsgained traction. MSMEs-affiliated organisations were also examined and their status as learning organisations was investigated.

## RESEARCH GAP

Through the literature review it was observed that separate research work has been done on functioning of MSMEs and existence of Learning Organizations. A research work carried out by Papiya Manna and attempted to study the status of micro, small and medium enterprises in different regions of India, suggested that Gujarat has emerged as a leading MSME sector. This has proved as a strong reason to consider Gujarat based MSMEs for the purpose of the study. Further there is no evidence for the attempts made to study the existence of MSMEs as learning organizations in Gujarat and more specifically in GIDC areas of Anand and Nadiad district where many MSMEs are functioning successfully. Thus through this research an attempt is made to appreciate the existence of GIDC based MSMEs as learning organization.

## OBJECTIVES

- To study the impact of Organizational Interventions, Employee Interventions andOrganizational Leadership on existence of MSMEs as Learning Organizations.
- To study the factors influencing existence of MSMEs as Learning Organization.

## HYPOTHESES

**H0:** There is no significant impact of organizational intervention, Employee Interventions and Organizational Leadership on existence of MSMEs as Learning Organizations.

**H1:** There is a significant impact of organizational intervention, Employee Interventions and Organizational Leadership on existence of MSMEs as Learning Organizations.

## OPERATIONAL DEFINITIONS

According to the Cambridge Dictionary, interventions are deliberate actions taken to enter a challenging situation in an effort to either improve it or stop it from getting worse. Interventions are measures made to strengthen specific areas of weakness in an organisational context.

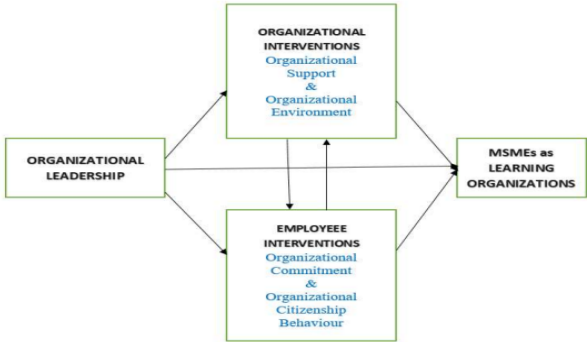


**Organizational Interventions** can be described as a sum total of all measures (in the form of Organizational Support and creating a suitable Organizational Environment) made by the organisation in order to support its existence of MSMEs as learning organisation. **Human/Employee Interventions** can be thought of as the totality of all the actions taken by the employees of MSMEs to support the process of creating learning organisations (in the form of organisational commitment and displaying organisational citizenship behaviour). **Organizational Leadership** can be referred as the attitude and behaviour of key management personnel (at all levels in the organisation) towards building the MSMEs as learning organisation.

### RESEARCH METHODOLOGY

This study has made an effort to investigate the nature of MSMEs as Learning Organizations in GIDC Anand and Nadiad, if any. It has concentrated on micro and small businesses that are located in GIDC regions of Anand and Nadiad. The data collection was done through structured learning organisation questionnaire. The owners, business partners, directors, managers, etc. of MSMEs in the GIDC Anand and Nadiad districts made up the study's respondents. Data was coded and put through descriptive and inferential analysis after being obtained through direct contact with the respondents. The descriptive analysis included mean and standard deviation, and the coefficient of correlation, or "R," was calculated to show how the three main study variables—organizational leadership, organisational interventions, and personnel interventions—relate to one another. Also, an effort was made to identify the relationships between the variables of the study, as shown in Figure-I. For the purpose of identifying the factors influencing the existence of MSMEs as learning organisations, the data was also subjected to factor analysis. Data analysis was performed using the Statistical Program for Social Sciences (SPSS). **Conceptual Prototype** The current study has taken into account the antecedents to MSMEs' existence as learning organizations, including organisational interventions, human interventions, and organisational leadership. The proposed research prototype for determining the linkages and interrelationships of research interventions and factors taken into account for the study's goal is shown in Figure

The proposed prototype suggests that organizational leadership may have a major impact on employee and organizational interventions as well as MSMEs' status as learning organisations. A considerable association can also be established between organizational and employee initiatives. Lastly both, organisational as well as employee interventions can have a significant relationship with MSMEs existence as learning organisation. This study makes an attempt to prove this conceptual prototype.



**Figure 1 Proposed Research Prototype**

SPSS software was used to conduct association testing on the conceptual relationships shown in Figure 1. So, an effort was made to test the suggested conceptual model.

### DATA ANALYSIS

Descriptive analysis included computing mean and standard deviation. Table-I indicates the computation of descriptive analysis for three major variables under consideration.

**Table 1 Descriptive Statistics**

	Mean	Std. Deviation
Organizational Interventions	2.82	1.04
Employee Interventions	2.76	1.09
Organizational Leadership	2.78	1.11

Factor analysis and the computation of the correlation coefficient R were included in the inferential analysis. To determine the relationship between the three main study variables—organizational leadership, organisational interventions, and personnel interventions—the co-relation coefficient, or "R," was estimated. Table-II indicates the output of relationship testing between the major variables of the study:

**Table 2 Inter-correlations among OI, EI and OI**

		OI	EI	OL
Organizational Interventions	Pearson Correlation	1	.949**	.946**
	Sig. (2-tailed)		.000	.000

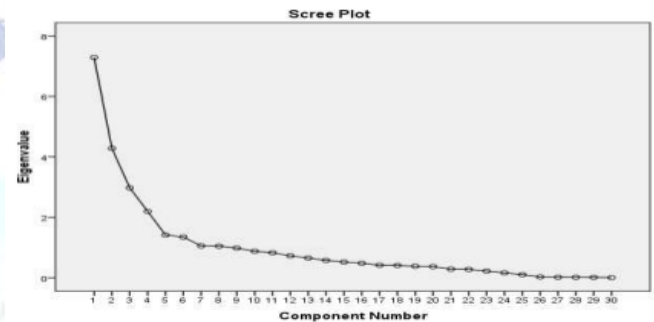
Employee Interventions	Pearson Correlation	.946**	1	.935**
	Sig. (2-tailed)	.000		.000
Organizational Leadership	Pearson Correlation	.946**	.935**	1
	Sig. (2-tailed)	.000	.000	

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**Table 3 KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.816
Bartlett's Test of Sphericity	Approx. Chi-Square	21330.307
	Df	435
	Sig.	.000

The aforementioned table demonstrates the existence of significant cross-correlations between organisational interventions (OI), employee interventions (EI), and organisational leadership (OL), which were all significantly tested at the 0.01 level. Due to the occurrence of multicollinearity, the data was subjected to Factor Analysis. The sample was sufficient as indicated by the Kaiser-Meyer-Olkin Measure of Sampling Adequacy value (0.816), and factor analysis can be performed on it. The variables under study are co-related, as shown by the additional significant chi square value under Bartlett's Test of Sphericity.



**Figure 2 Scree plot indicating six factors with Eigen value greater than**

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**Table 4 Total Variance Explained**  
The Six Factor Solution accounted for 65.048 of Variance:

Figure : Total Variance Explained						
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.292	24.306	24.306	7.292	24.306	24.306
2	4.283	14.275	38.581	4.283	14.275	38.581
3	2.974	9.913	48.494	2.974	9.913	48.494
4	2.199	7.33	55.824	2.199	7.33	55.824
5	1.416	4.722	60.545	1.416	4.722	60.545
6	1.351	4.503	65.048	1.351	4.503	65.048
7	1.055	3.518	68.566			
8	1.049	3.497	72.064			
9	0.983	3.276	75.34			
10	0.878	2.928	78.268			
11	0.83	2.768	81.036			
12	0.728	2.426	83.461			
13	0.654	2.181	85.642			
14	0.578	1.928	87.57			

15	0.522	1.741	89.311
16	0.483	1.611	90.923
17	0.418	1.392	92.314
18	0.409	1.362	93.677
19	0.382	1.275	94.951
20	0.372	1.24	96.192
21	0.287	0.958	97.15
22	0.279	0.931	98.081
23	0.224	0.746	98.826
24	0.163	0.545	99.371
25	0.105	0.35	99.721
26	0.028	0.094	99.814
27	0.019	0.064	99.879
28	0.016	0.053	99.932
29	0.014	0.047	99.979
30	0.006	0.021	100
Extraction Method : Principal Component Analysis			

**Table5RotatedComponent Matrix**

**Figure : Rotated Component Matrix<sup>a</sup>**

	Component					
	1	2	3	4	5	6
Feedback and Questioning	0.052	-0.03	0.195	-0.08	0.588	-0.19
Support and Learning	0.205	0.91	-0.03	0.096	0.104	0.039
Decision making Contribution	0.112	0.152	-0.05	0.631	-0.04	0.151
Effective Reasoning Skills	-0.03	-0.04	0.101	0.597	0.081	0.155
System for Open Communication	0.079	-0.28	0.616	-0.13	-0.15	0.214
System for Knowledge Sharing	0.016	0.155	0.681	0.201	0.037	0.057
Leaders role in Dialogue Promotion	0.822	0.102	-0.03	0.144	0.06	0.056
Contribution for Targets and Goals	0.786	0.112	-0.05	0.107	0.138	0.057
Challenging for Betterment	0.01	0.228	0.032	0.521	0.412	0.162
External and Internal Knowledge	0.203	0.093	0.153	0.263	0.133	0.738
Transparent Information Sharing	-0.15	0.11	0.621	0.054	-0.01	0.077
Creation of Knowledge and Sharing	0.019	-0.14	0.528	0.208	0.107	0.537
Minimum to Zero Mistakes	0.041	0.173	-0.13	0.105	0.929	0.093
Mistakes Analysis	0.041	0.172	-0.14	0.108	0.926	0.101
Introspecting and Reflecting on Mistakes	0.11	0.174	-0.11	0.367	0.191	0.526
Innovations on Consistent Basis	0.238	-0.01	0.157	0.637	0.144	-0.35
Updating Technologies	0.147	-0.04	0.693	0.305	0.001	-0.17
Research and Development	0.03	-0.09	0.531	0.366	0.092	-0.36
Inviting New Change	0.924	0.213	0.155	0.014	0.003	0.024



Knowledge and Skills Acquisition	0.926	0.208	0.15	0.022	0.007	0.029
Ease of Adapting to the Change	0.919	0.225	0.17	0.033	0.003	0.025
Identifying the People Commitment	-0.02	0.148	0.089	0.631	-0.04	0.186
Understanding the Changing Times	0.249	0.026	0.534	0.066	-0.21	0.047
Rewarding Major Contribution	0.089	-0.01	0.668	-0.11	-0.03	-0.1
Growth enabled Education and Learning	0.213	0.931	-0.01	0.117	0.116	0.026
Preparation and Learning for Competition	0.219	0.94	-0.01	0.114	0.107	0.043
Understanding and Reinforcing Knowledge	0.222	0.94	-0.01	0.127	0.11	0.052
Encouraging Collaborative Work	0.089	0.556	0.407	-0.03	0.002	0.072
Working and Learning for Growth	0.642	0.121	0.57	-0.14	-0.17	0.012
Working Together for Common Goal	0.372	0.137	0.494	-0.03	-0.13	0.511

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Factors with loading greater than 0.6 were combined together and subjected to labeling. Consequently the Factor Analysis output shows the presence of six factors which determine the existence of MSMEs as a Learning Organization.

**Table 6 Factor Analysis Output.**

The factors having Eigen value larger than 0.5 were placed together for labeling

Variables	Eigen value	Factor Labeling (New Names)
Leaders role in Dialogue Promotion	0.822	Factor #1 : Leadership Commitment to Organizational Development
Contribution for Targets and Goals	0.786	
Inviting New Change	0.924	
Knowledge and Skills Acquisition	0.926	
Ease of Adapting to the Change	0.919	
Working and Learning for Growth	0.642	
Support and Learning	0.910	Factor # 2 : Competitive Spirit
Growth enabled Education and Learning	0.931	
Preparation and Learning for Competition	0.940	
Understanding and Reinforcing Knowledge	0.940	
System for Open Communication	0.616	Factor #3 : Transparency for Goal Achievement
System for Knowledge Sharing	0.681	
Transparent Information Sharing	0.621	
Updating Technologies	0.693	
Rewarding Major Contribution	0.668	
Decision Making Contribution	0.631	Factor #4 : Commitment towards Innovation
Innovation on Consistent Basis	0.637	
Identifying the People Commitment	0.631	
Minimum to Zero Mistakes	0.929	Factor #5 : Kaizen Based System
Mistakes Analysis	0.926	

External and Internal Knowledge	0.738	Factor #6 : Open System for Knowledge Acceptance
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## OBSERVED PROTOTYPE

The observed prototype, which is depicted in was produced by the interpretation of the factor analysis output and the newly labelled factors categorised under Organizational Interventions, Employee Interventions, and Organizational Leadership. Observed Research Prototype

The observed prototype suggests that organisational interventions may include elements like transparency for goal achievement, a kaizen-based system, and an open system for accepting 360 degrees of knowledge. Other employee interventions might include aspects of competitive spirit. Leadership Commitment to Organizational Growth and Commitment to Innovation are two examples of elements that can make up organisational leadership.

The research output shows that Organizational Interventions, Employee Interventions and Organizational Leadership collectively affect the existence of MSMEs as Learning Organizations.

## CONCLUSION

The purpose of the study was to determine how organisational leadership, employee interventions, and organisational interventions relate to one another. The study also sought to pinpoint the elements influencing MSMEs' capacity to function as a learning organisation. A hypothetical prototype was put out and put to the test.

According to the research's findings, there is a substantial correlation between organisational interventions, employee interventions, and organisational leadership, meaning that changing one variable will have a significant impact on changing the others. The factor study also identified six other criteria, including leadership commitment to organisational development, the presence of a competitive spirit, commitment to innovation, a commitment to a Kaizen-based system, and an open system for

knowledge acceptance. All of these elements are further categorized into the three categories of the proposed prototype of MSMEs as a learning organization, which justifies the output of the prototype as it was seen.

The observed prototype indicates that for the existence of MSMEs as learning organizations, the most essential factors to be focused and nurtured are the interventions by organization, employee and the organizational leadership.

## MANAGERIAL IMPLICATIONS

Any organisation that wants to be a learning organisation must meet a number of requirements, which, if met, can ensure the firm's continued survival even in a highly competitive market. Dedicated leadership, significant staff participation, and ensuring that the company offers the necessary support for becoming a learning organisation are typical characteristics of learning organisations.

The study can be beneficial to the medium and small enterprises operating in the GIDC area of Nadiad and Anand districts to channelize the directions of their efforts on certain proven aspects. The observed research output indicates that the existence of learning organizations in MSMEs is backed with three major variables viz. Organizational Interventions, Employee Interventions and Organizational Leadership. This in turn shows that with focused efforts, even MSMEs can also become learning organizations with a wide scope for their existence in the competitive markets.

The MSMEs can work to ensure transformational leadership with a forward-looking mindset, the capacity to focus talent and efforts on organisational growth and development, and openness to incorporating the newest technological advancements. Moreover, training can be given to staff members to help them develop the attitudes and abilities needed to contribute as a team while maintaining a spirit of competition. By being open and clear about the work process, the business as a whole can help the employees. A Research on the Effect of Employee and Organizational Interventions on

MSMEs Existence as Learning Organizations companies can also implement technological advancements like Kaizen for eliminating or irradiating faults in the processes. Also, the organisation might be open to learning from others. All potential sources to ensure that there is always room for improvement.

### Conflict of interest statement

Authors declare that they do not have any conflict of interest.

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