



## Strengthening Staff Competency through Organizational Learning and Group Differences

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### ABSTRACT

Professionals work toward delivering the task to be excellence. Thus, it is the concept of competency that demands an individual to perform a job properly and efficiently. The initiatives derived from employee's competency significantly very much related to organizational development. It is the need of organizational development that proposed learning organization to be adapted towards enhancing the employee's competency. A learning organization is an organization that learns continually in transforming itself to better collect, manage and use of knowledge for corporate success. In today's banking industry intense competition between banks in Malaysia has become an issue. Each of them will achieve and renew their own strategies to be the number one in banking industry. Focusing on the population of approximately 476 employees in Bank Kerjasama Rakyat East Coast region, quota sampling method being used in order to select 145 samples to participate in this study. This paper discusses on four indicators of the learning organization that had been adopted by the staff of the Bank Kerjasama Rakyat. Internal exchange, reward flexibility, learning climate and informing which are believed to influence the level of competency. This research will focus on the relationship between four indicators of learning organization towards employee's competency. By using the correlations analysis, learning climate is the prominence indicator that influences the employee competency. This research also aims to investigate the differences between selected demographic profiles and employee's competency. Further analysis revealed that senior employees are more competent than junior employees.

**KEYWORDS:** Competency, Learning Organization, Learning Climate.

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### INTRODUCTION

Employee competency is not a true unitary scientific concept, rather it is a general landscape that provides a variety of technique designed to achieve the vision, mission, and ultimate goal of an institution. Generally, the concept of competency is explained as the ability of an individual to perform a job properly and efficiently. Since employee's competency plays a very important role in organization development, the way it contributes to the success is unachievable if it fails to associate with other concept that can enhance the development of an institution. Learning organization is one of the concepts that can be adapted to enhance the employee's competency. As suggested by [1], a learning organization is a process of acquiring knowledge and utilization of information and resources that need to be adapted successfully to changing circumstances.

In today's borderless interaction and transaction, banking industry intense competition between banks in Malaysia has become an issue. Regardless of its importance, employee competency should not be portrayed as the saviour of banking industries, nor is it a technique that always generates positive effects. Every players in the industry continuously geared to make new achievement them and keep on revising their goals and strategies so as they can be the number one or among the top in banking industry. Thus competency should be review as a process that has the potential to improve productivity, quality, and the employees' attitude.

Established in 1954, Bank Rakyat is currently the largest Islamic cooperative bank in Malaysia with total assets amounting RM61.91 billion for financial year ended 31 December 2010. To date, Bank Rakyat has 130 branches with more than 400 automated teller machines (ATMs) and cash deposit machines (CDMs) as well as 23 Ar-Rahnu X'change nationwide. Realizing that there is a niche that can be exploited in the banking industry, Bank Rakyat is determined to focus on Islamic banking transaction as it main products and services. In doing so Bank Rakyat became a full-fledged Islamic cooperative bank in 2002. Hence, with this major decision, Bank Rakyat marked another milestone in history where it became the third bank to offer Islamic banking products in Malaysia.

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Associated with the increase in job and customer demand complexity, the adoption of new approach in service sector or particularly in banking sector has increased in complexity, and resulted to changes and acceleration of the utilization of resources. As job are getting more complicated and everything is constantly changing, therefore service industries such as banking need to become flexible. One way of achieving this is through the preaching of the concept of employee competency.

The various awards and accolades achieved in the past year, whether in Malaysia or the International arena are testaments to the Bank's excellence and eminences. The image portrayed by the success of the management to declare good dividend to the shareholders added as another milestone of its success. Bank Rakyat took a momentous step forward by expanding its product and customer facilities continuously to provide greater diversity to its customers through the launching of Islamic (syariah) banking facilities. Among others that be found to be an attractive enough are products and services such as consumer financing, commercial financing and deposits as well as investment products to cater a various segments of market. Even those with unstable income still can get the financial assistance facilities like Ar-Rahnu (Islamic Pawnbroking).

### **PROBLEM STATEMENT**

The development of banking industry in Malaysia demonstrated that there are two banking system that are operating side by side in giving their service to the communities. One approach which has been in operation for so long is conventional banking, while the other is the Islamic banking system. After about two decade in operation, for both systems today, they seem to be at the stage of stabilization in the industry life cycle. Observing through the support given by the government as well as by all sectors in the economy, it shows that the banking industry has developed very well and the competition found to be healthy. Our discussion with the Regional Manager and several other branch managers of Bank Rakyat highlighted their concerned on several research questions such as; why does Bank Rakyat cannot be one of the anchor banks like other conventional banks in Malaysia? Is it due to the philosophy and policy that are not at par with other banks? Could it be that their staff are lacking of competencies in skills and knowledge? Or maybe the measurement of the organization performance itself does not meet the industrial competency benchmark? Or was it because of the strategies taken especially in term of training (partly falls under one of the learning organization concept) were not adequate and competitive enough to match the needs of the industry. It is perceived that, in order to operate the services efficiently, the staff involved should be well equipped with necessary skills and be very knowledgeable in their core businesses. They should be well verse with the changing phase of economic, social, political, as well as technological environment. One way of achieving this is through organizational learning which has shown its prominence in the past several decades as a way to achieve competitive advantage [2]. It is through this concept that stimulate the involvement of workers by having them participate, empowering employees, setting up favorable learning climate, which will eventually expected to generate favorable outcome such as good attitude and increasing productivity.

Considering the nature of competitiveness in selecting and maintaining the competency workforce within the banking institution, this paper is expected to explore the roles undertaken by organizational learning which may enhance the competency of the institutions. In addition, this study is expected to reveal the scenarios of significant different between management level and the concept of Organizational Learning of Bank Rakyat employees within east coast branches. The result of the study is expected to demonstrate there are such trends, which of the element from the variables significantly contribute to the development of competency in Bank Rakyat. With these attempts the institution is expected to remain competitive in the banking industry.

#### **Objective**

- 1) To examine the strength of relationship of the following:
  - i) Internal exchange and employee competency
  - ii) Reward flexibility and employee competency
  - iii) Learning climate and employee competency
  - iv) Informattng and employee competency
- 2) To identify the difference of employee's competency based on gender, working position operating branch, academic background, and length of services.

#### **Scope of Study**

There are 11 dimensions of organizational learning, initially proposed by [3]. Although relying on these dimensions, it may provide a comprehensive model for understanding organizational learning. But, it may not

provide the desired outcome as the scope of study involved banking staff that found to be acquitted and attached with the busy work schedule. Thus, after the pilot study, we decided to only focus on 4 dimensions which seem to be much related to the characteristic of the sample. Those four dimensions are: internal exchange, reward flexibility, learning climate and informatting. The data were collected only from several branches to represent the East Coast Region of Malaysia.

## LITERATURE REVIEW

### Competency

The efficiency of financial institutions has been widely and extensively studied in the last few decades. For financial institutions, efficiency implies improved profitability, greater amount of funds channelled in, better prices and services quality for consumers and greater safety in terms of improved capital buffer in absorbing risk [4]. In today's environment, banking industry in Malaysia is at the stage of stabilization in the industry life cycle. It shows that this banking industry has developed very well and the competition is considered intense [5].

In the contemporary world of work, characterized by rapid and dramatic change, the attainment of competence has become an integral component of individual, organizational and national strategies. An organization's market value and financial success rely increasingly on competence, as well as intangibles: knowledge, loyal customers and other manifestations of human capital [6]. Competence is a broad term and the concept embodies the ability to transfer skills and knowledge to new situations within the organizational arena. The implication of competence in the definition of [7], competence is related to the effective performance of a person within a specific environment. According to [8], it encompasses organization and planning of work, innovation and coping with non-routine activities. It includes those qualities of personal effectiveness that are required in the workplace to deal with co-workers, management and customers. Competence is the ability to perform the activities within a function or an occupation area to the levels of performance expected in employment. A competent person should therefore be able to perform activities in diverse settings, over an extended period of time, and be able to respond to variables which imply that competence has an element of flexibility.

### Learning Organization

Organizational Learning defined as the process of developing and applying new knowledge that has the potential to change staff's behaviour. It will lead the organization to achieve improved results ensures adaptability to cope with change, grow through innovation and create result-oriented employees [9]. The concept of a learning organization is an idealized model of coping with organizational change [10, 11]. This approach "engages employees' hearts and minds in a continuous, harmonious, productive change, designed to achieve results they genuinely care about, and that the organization's stakeholders want" [12]. The process of building a learning organization unleashes individual creativity, and fosters collective learning which is crucial for encouraging, and developing innovation and rapid responsiveness to global competition [13]. In short, a learning organization is continually getting 'smarter' because learning is planned, systematic and in alignment with the organization's strategic goals [14].

Organizations need to learn to survive and prosper in changing and uncertain environments. They need managers who make right decisions through skill and sound judgment. Successful decision-making requires an organization to improve its capability of learning new behaviors over a period of time [15]. 'Organizational learning' is a fighting process for organizations in the face of swift pace of change [16]. In this battle, managers are responsible for increasing the awareness and the ability of the organization members to comprehend and manage the organization and its environment. In this way, they can make decisions that continuously secure the organization to reach its goals. Therefore, it is important to focus on learning organization in order to be accompanied with success. Therefore, it is important to focus on learning organization in order to be accompanied with success.

Constant learning capacity is a condition for organizational survival [16]. In this context, the concept of competencies is seen as a more adequate basis for people management systems. In [17] points out that an organization's key competency results from a combination of individuals' competencies and professionalism. There is a close relationship between individual and organizational competencies. They are interdepending on each other in a feedback system, which result in mutual contribution. The company lends people its competency assets, thus providing them with the opportunity to face different situations. People return the company with their learning, thus giving it survival and development conditions. Individual competencies must be linked to organizational competencies, which in turn lead to sustainability in organizational strategy. In order to achieve such alignment, it is of utmost importance for the organization to identify the location of essential competencies, to investigate the quantity and quality of people who incorporate them [18].

### **Internal Exchange**

Internal exchange is an interaction and communication between individuals which serve as a mean to boost the exchange or sharing of information in an organization and to lead to the development of shared mental models [19]. Through communication, the sharing of information between two or more individuals or groups to reach a common understanding is possible [20]. It is stated that a basic function of communication is to provide knowledge to members of an organization so that they can perform their jobs effectively and achieve their goals [21]. Communication between inter-department is important in order to exchange information for the organization's development. According to [22], an employee is performing well when his/her action and behaviours contribute to the goal of the company and the work unit.

### **Reward Flexibility**

Reward systems include bonuses, awards, incentives or promotions provided by others as well as rewards related to internal experiences such as feelings of achievement and challenge [23]. As proposed by [5], reward flexibility is considered important in lifting the competency level of the employees. Therefore, managers should find out what motivates the employees at each of the levels and develop a reward strategy accordingly [24, 25]. This will boost the employee's motivation in improving their competency level which will lead to organization success.

### **Learning Climate**

As a general construct, climate can be defined as a psychologically meaningful description of the work environment [26, 27]. Similarly, an individual psychological state affected by organizational conditions like culture, structure and managerial behavior [28]. Therefore, climate can be described as a set of attributes specific to a particular organization that may be induced from the way the organization deals with its members and its environment. For the individual member within an organization, climate takes the form of a set of attitudes and expectancies which describe the organization in terms of static characteristics, and behaviour outcome and outcome-outcome contingencies [29]. Thus, climate does not refer to the work environment per se but the way in which people respond to it; it is the 'perceptual medium' [30].

The concept of learning climate is geared at formulating learning from trial and error as a perfectly valid way to learn. Learning from mistakes is how most people learn many important things [31]. It can certainly be recognized as a lifelong journey of taking in information and using it to improve some elements of knowledge, understanding, skill, attitude or how you think about, perceive or do things [32]. Therefore, a good learning climate will boost the competency level of the employees.

### **Informating**

Informating is a process that translates descriptions and measurements of activities, events and objects into information [33]. By doing so, these activities become visible to the organization. Informating, while harder to implement leads to higher levels of improvement. It uses the same technology but shifts control and empowers people with information and the responsibility to use it to solve problems. Timely access to information through technology is the key to informating [34]. Informating in the learning organization refers to the use of information technology not just to automate, but to make information widely available to all staff in order to empower them to act on their own initiative [3].

## **RESEARCH METHODOLOGY**

### **Research Framework**

Figure 1 depicted the research framework which had been replicated from the earlier work done by [35]. Although the earlier discussion by [16], suggested organizational learning can be comprehensively attributed by 13 dimensions, but the discussion of this paper only focus on 4 dimensions that are very much related to the development of banking institutions.

**Independent Variables**

**Dependent variable**

Organizational learning components

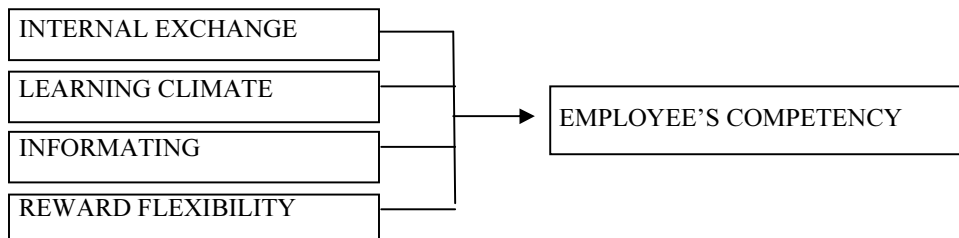


Figure 1: The schematic diagram of the research model

**Hypothesis**

Following are several hypotheses that needed to be addressed in this study:

- H1: There is a significant relationship between internal exchange and employee's competency.
- H2: There is a significant relationship between learning climate and employee's competency.
- H3: There is a significant relationship between informing and employee's competency.
- H4: There is a significant relationship between reward flexibility and employee's competency.
- H5: All the four components of organizational learning are able to explain the employee's competency.
- H6: There is a significant difference between the demographic profiles with employee's competency.

**Sampling Procedures**

The operation of Bank Rakyat covers all the 14 states in Malaysia. However, the population of the study only focused among the employees of Bank Rakyat in East Coast branches including Terengganu, Pahang and Kelantan. Of the total branches population the coverage involved 7 branches in the East Coast of Malaysia. This study will adopt quantitative method of data analysis by distributing the self-administered questionnaire to each branch in East Coast of Malaysia. In term of populations, as been tabulated previously, the total population of Bank Rakyat employees in the East Coast of Malaysia for 2011 is 476. With the given population, the total of 196 respondents recommended to be an appropriate sample size to represent the total population in this study [36]. Although several attempts had been taken to get the desired total samples, only 154 respondents were eventually considered for the analysis. Thus, the representation of 32.35% (154/476) still discovered to be sufficient for displaying adequate generalization of the entire population of the study. It was initially planned that the finding and discussion of this paper will be sufficient to provide the power of generalizability. However due to the limitation of samples that are geographically dispersed, time and budget factors which are very limited, the execution of sample selection was only done through purpose sampling approach.

The sampling frame for the population taken for this investigation was those from the company record which consists of employees of Bank Rakyat. These compositions of employees were made up of the Managers, Assistant Managers, Senior Executives, Executives and also Non-Executives. Aiming to have two major groups that may likely revealed some differences, the sample was divided into group of non executive and executive. The composition of sample is further been controlled by ensuring that all the age group, and years of experience will be represented so that certain degree of generalization can be made for the study.

**Measurement**

In the process of acquiring the information, the strategy of designing closed-ended questionnaire was used in the study. Following the review of previous literature, the instrument was replicated based on the work of [37], and partly refers to [3]. As the instrument had already been pre-tested several times, we confidently divided all measuring items into 6 sections where employee competency measured by 11 items, internal exchange with 12 items, learning climate covering 14 items, rewards flexibility to be observed by 10 items and informing which made up of 11 items. All the above measuring items used 5 point Likert scale in eliciting the required information.

To check the clarity of pre formulated questionnaires, pre-testing of the questionnaires was conducted. All commentary and recommendation were measured and integrated into the final draft of the research instruments. With the outcome of the pilot study the process is able to reveal several errors in the design and any improper control of extraneous or environmental conditions [38].

### Procedure of Data Collection

Most of the staff working in the institutions has adequate education background. Thus, a self-reported experience through a questionnaire survey was chosen as the most appropriate approach for gathering the required information. Questionnaires were distributed to the respondents with adequate time given for them to answer all the measurement items. This approach was selected to ensure that the result would be based upon the employee's actual experiences working in Bank Rakyat besides allowing them to provide a more accurate respond within a much relax environment. In relation to the data collection process, the surveys were conducted within two months beginning 2012 at each of the participated branches. As data were collected by cross-sectionals, the whole activities of data gathering were executed within the prescribed time period.

## FINDINGS

### Reliability Analysis

Before performing the appropriate analysis in addressing the research issues, all the data collected were earlier tested using reliability procedures so as to generate a more meaningful result. The decision to accept the items for measuring each variable followed the guidelines suggested by [38].

Table 1: Reliability of dependent variable and independent variables

Variable	Items before deleted	No of item after deleted	Alpha value after items deleted
Employee's competency	17	11	0.894
Internal exchange	13	12	0.912
Learning climate	15	14	0.878
Rewards	10	10	0.894
Informating	11	11	0.811

Based on the reliability analysis, several items measuring employees competency (6 items), internal exchange (1 item), learning climate (1 item), rewards flexibility (1 item) had to be deleted as it failed to provide an acceptable inter-item consistency. With the above procedure, the result revealed that the alpha value for all the variables is more than 0.7. The result is strongly suggested that the data are highly reliable. Thus the whole reliability analysis of the selected variables is been represented with 11, 12, 14, 10, and 11 items respectively for competency, internal exchange, learning climate, and informating.

### Frequency Analysis

The distribution of all the participated samples can be observed from Table 2.

Table 2: Respondent's profile

Category	Freq	%	Category	Freq	%
<b>State of Operation</b>			<b>Marital status</b>		
Terengganu	64	44.1	Married	108	74.5
Kelantan	12	8.3	Single	34	23.4
Pahang	69	47.6	Other	3	2.1
<b>Operation Branch</b>			<b>Length of service</b>		
Kuantan	32	22.1	Less than 3 years	20	13.8
Kuala Terengganu	36	24.8	3-7 years	51	35.2
Machang	12	8.3	8-12 years	19	13.1
Temerloh	21	14.5	13-17 years	17	11.7
Jengka	16	11.0	18 and above	38	26.2
Dungun	19	13.1	<b>Academic background</b>		
Gong Badak	9	6.2	PMR	0	0
<b>Gender</b>			SPM	57	39.3
Male	100	69.0	STPM	16	11.0
Female	45	31.0	Diploma	23	15.9
<b>Age</b>			Bachelor Degree	38	26.2
21-25	22	15.2	Master	11	7.6
26-30	43	29.7	<b>Monthly Income</b>		
31-35	30	20.7	<RM1000	5	3.4
36-40	28	19.3	RM1000-RM2000	45	31.0
41 and above	22	15.2	RM2001-RM3000	47	32.4
<b>Working position</b>			RM3001-RM4000	28	19.3
Executive	63	43.4	RM4001-RM5000	8	5.5
Non-executive	82	56.6	RM5001-RM6000	1	0.7
			RM6001-RM7000	3	2.1
			RM7001 and above	8	5.5

Notes: exchange rate; 1 US dollar = RM 3.20.

Frequencies and descriptive analysis were used to provide the overview of respondents' demographic profile. The result displayed that 69.0% of the respondents were males, while 42.9% were females. As been reflected in Malaysian banking industries the age of working group were almost evenly distributed where those with 21-25 years old, 26-30 years old, 31-35 years old, 36-40 years old, and 41 years old were respectively 15.2%, 29.7%, 20.7%, 19.3% and 15.2% made the composition of the working staff. On educational background, the distributions were as follows: 39.3% (SPM or Malaysian Certificate of education); 11% (STPM or Higher Certificate of Education); 15.9% (Diploma); 26.2% (Bachelor degree); and 7.6% were those having Master Degree. The analysis on monthly income depicted in the Table 2 describes the majority of income pattern of banking staff within the range of RM1000 to RM4000.

**Analysis of Differences**

In analyzing the differences among the selected profile towards employee's competency, the T-test procedure and Kruskal-Wallis test were executed. The results are displayed in Table 3 and Table 4.

Table 3: T-Test: Testing of differences between genders, working position with employee's competency

Category	N	Mean	Sig.(2-tailed)
<b>Gender:</b> Male	100	4.0965	
Female	45	4.1330	.579
<b>Working position:</b> Executive	63	4.1703	
Non-executive	82	4.0598	.071

The observation of gender differences was tested using the above T-test procedure. The result from the analysis generated evidence that there was no significant difference of the working group. Nevertheless, the mean value designated for female discovered to be slightly higher than male counterpart as displayed by the mean value of 4.1330 versus 4.0965. Based on the observation, for working position also indicated that there was no significant difference between staff at executive versus non-executive level. However, as displayed by the mean value of 4.1703 versus 4.0598, the executive of Bank Rakyat found to be just slightly more competent compared to non-executive staff.

Table 4: Kruskal-Wallis Test: testing of differences between operation branch, length of services, academic background, age category and state of operation with employee's competency

Category	No	Mean Rank	Sig	
<b>Operation Branch</b>	: Kuantan	32	87.86	
	Kuala Terengganu	36	69.78	
	Machang	12	73.21	
	Temerloh	21	56.93	
	Jengka	16	103.84	0.001
	Dungun	19	51.55	
<b>Length of service:</b>	Gong Badak	9	60.72	
	Less than 3 years	20	63.05	
	3-7 years	51	71.85	
	8-12 years	19	68.53	
	13-17 years	17	93.32	0.250
<b>Academic background:</b>	18 and above	38	72.92	
	PMR	0	0	
	SPM	57	65.74	
	STPM	16	58.72	
	Diploma	23	91.33	
	Bachelor Degree	38	82.82	0.024
<b>Age :</b>	Master	11	59.18	
	21-25	22	70.77	
	26-30	43	68.03	
	31-35	30	68.93	
	36-40	28	84.16	0.546
	41 and above	22	76.27	

Depends on the type of institutions and industries, some researchers believed that there are possibilities of differences appear to occur in terms of competency in relation to operational branch, years of service, educational background, and also age of the employees. Just to confirm the possibilities of the above four categories, testing procedures were using Kruskal-Wallis were performed whereby two of them were significant. Those two were the operation branch, and academic background. For operation branch, employees in Jengka were more competent

compared to other branches as shown by the mean rank of 103.84. The next ranking position can be observed among those staff in Kuantan Branch and Machang branch as represented by the mean rank of 87.6 and 73.21 respectively. The analysis on academic background indicates that the Diploma holders are more competent as displayed by the mean rank of 91.33 while Bachelor Degree and SPM holders represent 82.82 and 65.74 respectively. Unexpectedly, it seems that for those that had obtained the postgraduate education qualification demonstrated that they are less competent to be the staff in the institutions.

### Correlation and Multiple Regressions

Hypothesis 1, 2, 3, and 4 was formulated. In order to respond on several objectives as mentioned in the earlier section of this paper. To generate the appropriate findings for the above formulated hypotheses, Pearson correlation analysis was performed. The result is displayed in Table 5.

Table 5: Correlation analysis between internal exchange, learning exchange, rewards and informing with employee's competency

Variables	internal_exchange	learning_climate	Rewards	informating
<b>Competency</b>				
<b>Pearson Correlation</b>	0.545	0.611	0.436	0.358
<b>Sig(2-tailed)</b>	0.000	0.000	0.000	0.000

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

Table 5 demonstrated the analysis of correlation between internal exchange, learning climate, rewards and informing with competency. The result revealed that there was a moderately high correlation between learning climate and competency; a moderate correlation between internal exchange and competency; a low moderate correlation between rewards and informing towards competency. However, although there were differences in the strength of relationship, but all the variables found to be significant. Thus, the hypothesis 1, 2, 3 and 4 were supported for the study.

Table 6: Regression analysis (multiple regression)

Variables	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
<b>(Constant)</b>	1.959	0.256		7.656	.000
<b>internal_exchange</b>	.125	0.083	0.160	1.498	.136
<b>learning_climate</b>	.360	0.097	0.438	3.711	.000
<b>rewards</b>	.052	0.062	0.073	0.841	.402
<b>informating</b>	.004	0.069	0.005	0.056	.955

Note:  $R^2 = 0.371$ ; sig. f change = .000

Table 6 attempted to generate evidence for identifying the most dominant predictor that should be exploited for sustaining the competency of the staff. Referring to the summary statistic of the multiple regression, the value of R square explaining that 37.1% of the entire selected concept in the organizational learning were capable of explaining its contribution on to the sustaining of staffs competency. Though this model to some extent is able to provide some useful insight of the investigation, but still the model could be further enhanced if some other variables such as vision thinking, strategic formulation, strategy formulation [39], and a few others that had not been included in the study. Nevertheless of all the selected independent variables selected for the study, learning climate indicated its prominent contribution towards the sustainability of staff competency as displayed by the t-value = 3.711 and beta score of .438. The involvement of internal exchange as indicated by the t-value = 1.498 and beta score = 0.160 although suggested it is not significant in a total set of variables, but if it is initiatively takes its role by itself found to be significant based on the Pearson value of 0.545 still able to contribute towards influencing staff competency. The issue of reward allocation as well as delivering of information need to be further investigated. The result generated were not convincing enough as displayed with the value of t-value = 0.841 and 0.056 with beta score of 0.073 and 0.005 respectively. The evidence displayed in this analysis indicated that both predictors needed more adjustment and improvement if the management are serious enough to enhance competency of the staff through this initiatives. Nevertheless hypothesis 5 for this study is supported.

## DISCUSSION AND CONCLUSION

The discussion on understanding and improving competency is very much related with organizational learning. For any organization to move on remaining competitive, they should capitalize on matching these two concepts. Earlier



observation by [40, 35] provide evidence that the institution remain competence as a result of conquering the concept of organizational learning since the educational level and the aspiration of the workforce are changing dramatically.

Our findings revealed that the need to create a favorable or conducive learning climate is essential towards improving the competency of the staff. Even though other components of learning such as the association of reward, as well as informatting are required to expedite learning, but their contributions found to be less impressive compared to learning climate. A favourable learning climate as agreed by most practitioners provides an environment that can promote, maintain, and motivate the culture of learning at any given situation. Obviously it can only be efficient if there are generous support and participation were obtained from the management. Thus, it is part of the philosophy and practice of learning organization that requires preach of learning organization should occur to everyone that are working in a particular organization. It also can be considered as an outcome associated to acquire new competencies [41]. A learning climate is one in which the organization seeks to promote and maintain a culture and climate that encourages learning state that in the Learning Organization, all managers see their primary task as facilitating the employee's experimentation and learning through experience, questioning, feedback and support. Both managers and senior managers should lead by example and demonstrate their willingness to learn by requesting feedback and questioning their own assumptions and actions [3].

It is always becoming a debatable issue about does a program or several other initiatives really contribute to the improvement of attitudes, knowledge, skills, and how someone perceived things. Regardless of the values and beliefs of its importance, all players within the organization should be cultivated about the need to acquire the changes and development of technological, social, economic, the efficiency of resources utilization and other forces that may generate impact on the core business of the institution. Similarly, it is the role of the management to critically provide avenues, proposed strategies and updating standard operating procedures which can be used by the staff at all level for enhancing their competency.

It is the philosophy behind the concept of organization learning that training should be continuously given to all level of employees within an organization. However, the approach taken to embark learning should not be making too generic. This is important as been revealed from our finding the level of competency as a result of learning is different in certain aspect such as academic background, the workplace environment, and years of experience in the industry. In fact, if we were to revisit back on some of the earlier theories by [42, 43], learning can efficiently take place after the associations of learning as well as several trial and error process. Thus, the management of Bank Rakyat should strategize different approach of training or learning if they were interested to improve the level of competency among the banking staff.

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