The Effect of Learning Organisation Practices in Cottage and Small Industries in Diktel Rupakot Majhuwagadhi Municipality

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Abstract

This study primarily aims to examine learning organisation practices, assess their effectiveness, and explore the relationships between the dimensions of learning organisation and the performance of cottage and small industries in Diktel Rupakot Majhuwagadhi Municipality (DRMM). In research methodology, a simple convenience sampling technique was used for primary data collection. The sample size was determined as158 using Yamane's formula $(N/(1+N(e)^2$) with a fixed margin of error of 5 per cent, based on 260 registered and authentic firms. The administered questionnaire was distributed accordingly; however, only 127 respondents were received and deemed valid for analysis. The reliability and validity test of the collected data, as well as data processing and analysis, were conducted using IBM Statistical Packages for Social Sciences (SPSS) version 27 software. The findings of this study indicate that the multivariate test analysis is statistically significant (p<0.001). The practices of learning organisation are found to be effective, as indicated by the F-test result (F=529.589. The analysis shows an average level of correlation between dimensions of learning organisation and cottage in small industries. Likewise, various statistical tests reveal that the effectiveness of learning organisation practices has a positive impact on the cottage and small industries' performance, mutually reinforcing and acceptable relationship. This study may provide meaningful implications for policy makers, entrepreneurs, managers, and researchers. However, this study was not able to capture complete and fully representative information from all relevant respondents. So it may further extend to different sectors, such as education, manufacturing, healthcare and industries.

Keywords: Dimensions, Industries, Learning, Organization, Practices

Introduction to the study

In recent years, business organisations have been facing strategically high competition in a dynamic environment, and a learning-oriented organisation may respond efficiently and effectively to it (Ashal et al., 2023). In this context, the adaptation of Learning organization (LO) facilitates business through management-oriented supporting

continual adaptation and learning (Jamali, 2006). For this in 1950, the approach of learning organizations was amended and reviewed by theorists like Richard Cyert, James March, and Herbert Simon (Babapourand & Gheibi, 2016). A learning organization encourages all of its members to learn and has particular qualities in order to fulfil the ever-changing needs of the environment. In a learning organisation, employees continually create, acquire, and transfer knowledge, helping their company adapt to the unpredictable faster than rivals can (Garvin et al., 2008).

In a vividly changing business world, at first the learning organization popularized by Peter M. Senge through a book in the late 1990's, The Fifth Discipline: The art and practice of the learning organisation (Yuan & Chayanuvat, 2021; Laeeque et al., 2017). The concept of LO pioneered by Senge is actively encourages and facilitates learning throughout the organization to effectively transform itself in a changing and challenging world. According to him LO continuously expands its capacity to create its future. Though the notion of organizational learning emerged during the 1060's and 1980's.When the changes was becoming a challenges for the uppermost minds of most managers. Organisational learning deals with the process of change and transformation. Organisational learning is the process by which organisations develop, enhance and transfer of knowledge and expertise. It involves continuous cycles of learning, the organization adapt change and transformation in changing business environment. Since the idea of learning as a critical organisational process was first suggested in the late 1970's by Argyris and Schon (1978) in their much-celebrated book Organizational learning: Theory of Action Perspective. The learning organisation's core concept is learn, innovation and change to adapt for success. With regard to Diktel Rupakot Majhuwagadhi Municipality (DRMM), it is lies in the eastern hilly region of Nepal in Koshi province. It consists of 15 wards and has 970 various types of officially registered firms.

Problem Statement

The business environment is changing and comparatively competition is increasing rapidly. As a globalization environment has been spreading across the world, factors such as technological advancement, government rules and regulations, customer psychological behavior are affecting the all types of organization as well. Across different sectors (Ashal et al., 2023), varying levels of the learning organization practices influence organizational outcomes (Pokharel & Ok Choi, 2015) including knowledge performance (Kim et al., 2017). Similarly, cottage and small industries' in the DRMM facing significant challenges to knowledge output despite of adopting the learning organization practices within organizations.

Research questions

The questions can be raised on the practices of learning organization in cottage and small industries in Diktel Rupakot Majhuwagadhi Municipality in this study.
(a) What is the effect of learning organization practices on organizational performance in cottage and small industries in Diktel Rupakot Majhuwagadhi Municipality?
(b) What learning organization practices are adopted by cottage and small industries in Diktel Rupakot Majhuwagadhi Municipality?

(c)   Is there relationship between dimensions of learning organization and the performance of cottage and small industries in Diktel Rupakot Majhuwagadhi Municipality?

Research Objectives

This study primarily concentrates on :

(a)   To examine learning organization practices and their effect organizational performance in Cottage and small industries of Diktel Rupakot Majhuwagadhi Municipality.

(b)   To assess learning organization practices adopted by Cottage and small industries performance of Diktel Rupakot Majhuwagadhi Municipality.

 (c)   To analyze the relations among dimensions of learning organization practices and performance of Cottage and small industries of Diktel Rupakot Majhuwagadhi Municipality.

Hypothesis of the Study

We may adopted alternative hypothesis based on above studies as follow-

H_1 : : Learning organization practices significant effect on organization performance of cottage and small industries of Diktel Rupakot Majhuwagadhi Municipality.

H_2 : Learning organization practices are significantly adopted by cottage and small industries of Diktel Rupakot Majhuwagadhi Municipality.

H_3 : The dimensions of learning organization significant relation with organizational performance of Cottage and small industries of Diktel Rupakot Majhuwagadhi Municipality.

Literature Review

The learning organization is an emerging concept in the field of management approach. Consequently, learning processes are analysed, screened, developed, and united with a set of aims and goals in a learning organisation. In the context of globalization, increasing tough competition, technological advancement and shifting customer preferences, companies are required to become a more crucial learning organisation than ever. Sustainable change that resulted in performance improvements and moved towards a learning organisation (Sackmann and et al., 2009). Obviously, to achieve long-term improvement in effectiveness, efficiency, productivity, competitiveness, profitability, agility and overall performance excellence of firms (Laeeque et al., 2017).

Laeeque et al. (2017) stated that learning organisation practices and knowledge creation are crucial drivers of firms' innovation performance. The learning organisation acts as a mediator between LO practices and innovation performance. However, effective implementation of LO practices and the creation of intra- and inter-departmental knowledge require management training. Likewise, key components include communication and a shared vision for the LO, as well as socialisation, which is a major influencing factor in the

internalisation process involving creating, acquiring, capturing, sharing, and using knowledge (Moh'd Adeileh et al., 2012). The LO assumes that everyone knows everything and that knowledge is stored individually (Örtenblad, 2018).

From the learning perspective, conceptualisation as an interactive process of strategic change refers to changes in the strategy content as well as in environmental and organisational conditions resulting from the change initiative (Sackmann et al., 2009). A Learning organisation represents a potentially significant evaluation of organisational culture (Hooper, 2017). According to Ahonen (2008), a learning organisation is a proactive entity that leverages the learning of all organisational members to enhance collective capacity for change. Therefore, individuals, teams, and organisations are included as learning subjects (Yuan & Chayanuvat, 2021). In a LO, the aim is to practice collective learning as a whole organisation rather than as individuals. Szelągowski (2014) highlights that an LO should be proficient in generating, acquiring, sharing knowledge, and implementing newly acquired knowledge into ongoing activities. However, in today's dynamic environment, organisational learning is a key factor for success, with some organisations even surviving because of it (Serrat, 2017). Nonetheless, Senge defined a learning organisation as an institution that continuously helps people expand their capacity to create the results they truly desire for long-term benefits (Yaman, 2020; Babapour & Gheibi, 2016; Awasthy & Gupta, 2012).

Peter M. Senge's book, named *The Fifth discipline: The art and practice of learning organization,* clearly explains about the concept of learning organization. Whereas, there are five disciplines of LO : (1) Personal mastery or expertise- is continually provide education to focusing deepening personal vision. It involves the development of skills, self-awareness and the ability to achieve organisational goals. (2) Mental model - considers sharper, great thoughts, assumptions, generalization or ever picture or images of a model of mental discipline. (3) Shared vision -is associated with collective learning and training. It refers to common understanding and agreement on goals, values and direction within an organisation. Hence, every person to excel and learn together. (4) Team learning- refers to developing ideas and effectiveness thinking, which face to complex problems. It involves discussion, dialogue, knowledge sharing in collectively in an organization. It is believed that open communication, feedback and mutual support in a team for problem solving. And (5) Systems thinking is a conceptual framework of understanding complex systems by viewing them as interconnected parts of a whole within an organisation rather than just a collection of individuals. It refers to identify problems, gathering the data and distract from to the problems faced evaluates solutions (M.M et al., 2016).

Furthermore, Watkins and Marsick (2003, 2013) proposed seven dimensions of a learning organization: (1) Continuous learning -refers to creating learning opportunities for all employees within an organization, (2) Inquiry and dialogue- refers to fostering a culture of questioning, feedback and suggestion to all employees in its organization, (3) Team learning –reflects to becoming a familiar effort to foster the spirit of collaboration and help team member with different thinking. (4) Empowerment- represents the process of involvement of employees in organization, (5) Embedded systems-indicates that provides a mutual learning opportunity at workplace to all employees with acquiring and sharing

information, (6) System connection- suggests that the organization connects to its internal and external environment to the effect of employee work, and (7) Strategic leadership- denotes to extent of leaders ability, shape, improve and support to learning for achieve better performance. In addition, as key results, two performance outcomes: (a) Financial performance states that organization's financial health and resources that enhances organizational growth, and (b) Knowledge performance- which related with learning and knowledge capacity improve products and services.

Likewise, Kontoghiorghes et al. (2005) argue that LOs are designed to increase competitiveness through learning. A learning organisation is a company with an enhanced capacity to learn, adapt, and change (Kumpikaitė, 2008). It is an open system where employees continuously create, acquire, and transfer knowledge to help them rival can (Garvin et al., 2008). Serrat (2010) stated that LOs understand that while knowledge is created in the minds of individuals, knowledge development thrives in a rich web of social contact among individuals, groups and organisations.

In an increasingly competitive business world, change is inevitable. A learning organisation can create a learning atmosphere that provides the widest possible opportunities for every individual in the organisation to learn both individually and collaboratively (M.M et al., 2016). As a result, LO gained prominence in the literature and continues to receive increasing attention in various management fields. It is often regarded as an ideal form of organisation (Örtenblad, 2001) because LO is described as a continuous process of learn, adaptation, change, and development. According to Albert (2005), LOs become competitive by developing capabilities that get a competitive advantage, embrace innovation and improve bottom-line results.

A learning organization serves as a guiding vision which portrays the organization as a living organization system with an open and powerful learning environment which inspires, facilitated and empowers the learning of its members (Singh, 2010). In LO one that learns continuously and transforms itself by adapting integrated strategic process that runs parallel to work (Song et al., 2009). It is increasingly conceived as a dynamic mechanism that underpins a position change orientation (Jamali, 2006) in which people are continually collectively aspiring to set free with new and expensive patterns of thinking that are nurtured (Dei et al., 2024).

According to Ferdianto and Anindita (2023), a learning organization implies a learning environment composed of various organizational components in an organization for a sustainable and joint learning, where leaders nurture excellent dedicated cultures and ethical behavior to encourage knowledge sharing and learning and every individual is motivated to share their talented to make a full contribution to the firm's goal (Shin et al., 2017).

Theoretical framework

A learning organization is a culture of continuous learning process of create, adapt, and dissemination of knowledge across the organizational level. It fosters to employees continuous learning and development in order to enhance its overall performance and adaptability in a dynamic and competitive environment. Marsick and

Watkins (2003); Zhang et al. (2004); and Song et al, (2009) have proposed the seven dimensions of learning organization and many researchers continuously generalizing the dimensions of learning organization (Rai, 2024). On the bases of review of literature we can demonstrate the theoretical framework as below (Figure 1).
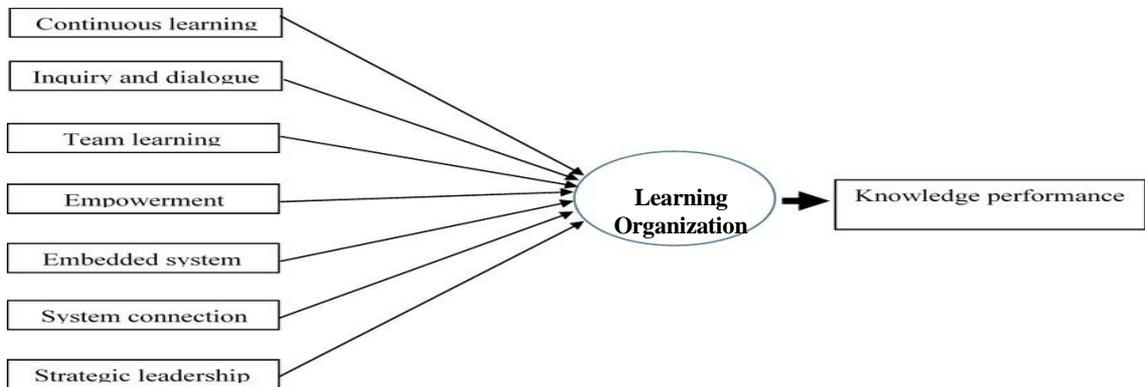

Figure 1 : Dimensions of Learning Organization (Marsick & Watkins, 2003)

Methodological design

This study have been applied descriptive research method. There have been taken 260 registered firms in Diktel Rupakot Majhuwagadhi Municipality office as cottage and small industries besides agriculture group firms. The sample size determined by using Yamane formula ($N/(1+N(e)^2$). Whereas margin of error has been fixed 5 percent. The questionnaire has meticulously developed and prescribed by Marsick and Watkins (2003) in Likert scale focusing on customize influencing variables, behavior or activities of organization and performance level which prescribed by. The sample determined by 175. This study applied the convenience method for data collection of survey questionnaire and distributed them, but 127 responded only valid among 158 distributed questionnaire over 15 wards. For the data collection, 105 cottage industries and 22 small industries were selected as representative industries of DRMMP. In terms of gender, 67 males and 60 females the respondents comprised. Regarding to designation, 2 respondents were from lower level, 43 from middle level and 83 from higher level of management. Though, collected data's reliability, validity test, processed and analyzed via IBM Statistical Packages for Social Science (SPSS) version 27 software.

Discussion and Results

This study have been adapted descriptive method for data analysis and results of the study. The used to calculation of mean, standard deviation, frequency and percent. Cronbach's alpha, KMO and Bartlet's

Demographic information

This study considers the demographic variables as the age, marital status, education, and operation period of organization for a total of 127 participants, which are shown in tables below.

Table 1

Age-wise involvement in CSIs in DRMMP

Age group	Frequency	N %
Less than 25	2	1.6%
26-30	11	8.7%
31-35	30	23.6%
36-40	29	22.8%
41-45	19	15.0%
46-50	14	11.0%
51-55	17	13.4%
56-60	3	2.4%
60 or Above	2	1.6%
Total	127	100%

Source: Field survey, 2025

Table 1 shows age-wise involvement in cottage and small industries in DRMMP. Among the 127 respondents, the middle-aged group of 31 to 40 years predominantly supports CSIs of DRMMP. Similarly, involvement and contribution from lower and older entrepreneurs are low.

Table 2

Marital Status in CSIs in DRMMP

Marital status	Frequency	N %
Unmarried	2	1.6%
Married	125	98.4%
Total	127	100%

Source: Field survey, 2025

Table 2 shows that married entrepreneurs constitute the majority, accounting for 98.4% (125), while unmarried entrepreneurs represent only 1.6% (2) of the total.

Table 3

Literacy level Involvement in CSIs in DRMMP

Literacy level	Frequency	N %
Literacy	4	3.1%
Basic level	31	24.4%
Secondary level	68	53.5%
Diploma level	23	18.1%
Degree or Above	1	0.8%
Total	127	100%

Source: Field survey, 2025

In the above Table 3 shows that secondary level education constitute entrepreneurs 53% (68) are highly constituted in CSIs in DRMMP. The basic level education represent the

second largest group at 24.4% (31), followed by diploma holder at 18.1% (23) in third, literates account for 3.1% (4) in forth and with degree or higher level of education at 0.8% (1) only are minimal representing in CSIs in DRMMP

Table 4

Operation Period of CSIs in DRMMP

Period	Frequency	N %
0-5 years	14	11.0%
6-10 years	37	29.1%
11-15 years	47	37.0%
16-20 years	24	18.9%
21 or Above	5	3.9%
Total	127	100%

Source: Field survey, 2025

Firstly, as shown in **Table 4**, CSIs in DRMMP are predominantly operating for 11 to 15 years accounting for 37.0% (47). Next, 29.1% (37) of CSIs have been operating for 6 to 10 years and CSIs operating for more than 20 years are least common, representing 3.9% (5) only.

Reliability Test and Validity Test
Reliability Test

The dimension of learning organization questionnaire (DLOQ) (Marsick and Watkins, 2002) has seven dimensions in predictable (independent) variables consisting with 43 items. For the reliability test, this study have applied the Cronbach's Alpha (α), Kaiser-Meyer-Olkin (KMO) and Bartlett's Test.

Cronbach's Alpha Test

Since, Table 5 has shown that dimensions of predictable variables and output (performance) variable have significance results which are ranges .835 (SC) to .957 (SL) ((α) >.70). Where CL dimension has 7 items and rest 7 dimensions have equal to 6 altogether 49 items.

Table 5

Reliability statistics: Cronbach's Alpha and No. of Items

S.N.	Dimensions	Cronbach's Alpha (α)	No. of Items*
1	Continuous Learning (CL)	.902	7
2	Inquiry and dialogue (ID)	.847	6
3	Team learning (TL)	.885	6
4	Empowerment (EP)	.895	6
5	Embedded system (ES)	.880	6
6	System connection (SC)	.835	6
7	Strategic leadership (SL)	.957	6
8	Knowledge performance (KP)	.891	6

* Watkins and Marsick's proposed 7 dimensions and 43 items of LO

Kaiser-Meyer-Olkin (KMO) and Bartlet's Test

Kaiser-r Meyer-Olkin (KMO) test evaluate the adequate sample size of conducting sample survey. Likewise Bartlets test also checks correlation matrix of variable and significance result (P-value<0.05). Therefore, in the Table 6 has shown that KMO test is .741 is good (.80 to .89) and Bartlet's test is significance (.00<0.05).

Table 6

KMO and Bartlet's Test

Kaiser-r Meyer-Olkin Measure of Sampling Adequacy.		.741
Bartlett's Test of Sphericity	Approx. Chi-Square	8222.046
	Df	1176
	Sig.	.000

Validity test

Multicollinearity test have been applied in this study to test for the dimensions of predictor and performance variables' validity test. The variance proportions are the each predictors associate with each dimensions.

Collinearity Diagnostics Test

Hence, Table **7** depicts that dimension 1 has high eigenvalue (7.869) and low condition Index (1.000) is not collinearity issues. The dimension 8 is performance variable have been eigenvalue (.007) is highly close to zero and condition Index (33.828) is more than 30 is highly correlated with multicollinearity. This close correlation with other dimensions represent is well condition. The dimension 7 (i.e. SL) and corresponding TL and EP have .45 and .82 consequently have been seen multicllinearity.

Table 7

Collinearity Diagnostics

Collinearity Diagnostics[a]

Dimension	Eigenvalue	Condition Index	Variance Proportions							
			(Constant)	CL	ID	TL	EP	ES	SC	SL
1	7.869	1.000	.00	.00	.00	.00	.00	.00	.00	.00
2	.033	15.337	.00	.09	.07	.03	.00	.02	.26	.13
3	.030	16.330	.01	.04	.01	.12	.08	.00	.11	.32
4	.023	18.458	.01	.06	.02	.09	.06	.07	.52	.11
5	.015	22.672	.22	.00	.03	.11	.00	.41	.05	.40
6	.013	24.680	.68	.01	.06	.02	.00	.40	.03	.02
7	.010	28.539	.02	.08	.02	.45	.82	.10	.01	.01
8	.007	33.828	.07	.72	.80	.18	.03	.00	.01	.00

a. Dependent Variable: KP

Learning organization practices in cottage and small industries

The multivariate analysis of variance is conducted to test the relationships between learning organization practices and organizational performance (Knowledge performance). Where perceptual practices of learning organization consists of seven dimensions of learning organization treated as predictor (independent) variables and organizational

performance as knowledge performance as dependent variable. Here included different Pillai's Trace, Wilks' Lambda, Hotelling's Trace and Roy's Largest Root statistical tests.

The **Table 8** multivariate tests analysis shows that statistical significant (p<0.001). Hence the highly correlated between practices of learning organization and organizational performance. The F-test (529.589) is high shows that very strong effect of independent variable on dependent variable. The value of Pillai's Trace (.974) and Hotelling's Trace (37.071) are great and Wilks' Lambda value is .026 indicates significant effect of independent variable on dependent variable and the value of Roy's Largest Root 37.071 denotes the stronger effect of independent variables. In conclusion, in DRMM the learning organization practices in cottage and small industries have been adopting strongly manner.

Table 8

Multivariate Test

	Multivariate Tests[a]					
Effect		Value	F	Hypothesis df	Error df	Sig.
Intercept	Pillai's Trace	.974	529.589[b]	7.000	100.000	.000
	Wilks' Lambda	.026	529.589[b]	7.000	100.000	.000
	Hotelling's Trace	37.071	529.589[b]	7.000	100.000	.000
	Roy's Largest Root	37.071	529.589[b]	7.000	100.000	.000
KP	Pillai's Trace	1.784	1.812	140.000	742.000	.000
	Wilks' Lambda	.100	2.002	140.000	675.064	.000
	Hotelling's Trace	3.150	2.211	140.000	688.000	.000
	Roy's Largest Root	1.412	7.483[c]	20.000	106.000	.000

a. Design: Intercept + KP

b. Exact statistic

c. The statistic is an upper bound on F that yields a lower bound on the significance level.

Dimensions of learning organization correlation with cottage and small industries performance

The mean value represents the average value of scores and high value denotes that responses have generally positive view and vice versa. Likewise the standard deviation measure the variability and dispersion of scores around the mean. High SD value denotes the high dispersion and lower SD value represents the closure cluster around the mean. The inter item correlation matrix shows the correlation coefficients between pairs of variables whereas value ranges lies on -1 to 1. The 1 positive correlation refers to if one variable increases the other variable proportionately increases, -1 negative correlation indicates to if one variable increases other variable decreases and 0 denotes no correlation or uncorrelated with each other variables.

Associated **with Table 9** depicted that mean values are around 5 besides the TL. However these seem to high mean value. In regard to standard deviation (SD) that SL has high value (.989) and CL has low value (.903) constituent among predictor variables (dimensions 1-7). Furthermore SC has almost high SD (1.056).

The context of KP (dependent variable) SD is .761 indicates that low value. Eventhough it is also lies on acceptable position. The inter-item correlation matrix in

context of independent variables the ID and CL has highest correlation value 0.728 is nearest consistent. Other inter-item correlation low value of SC and CL has 0.203, SL and CL has 0.286 and SL and TL has 0.263. In the context of dependent performance (KP) corresponding with TL has 0.113 and EP has 0.260 low inter-item correlation value. However being these consisting lower values may acceptable correlation coefficients among the dimensions or variables (i.e. dimensions of learning organization and cottage and small industries performance of DRMM).

Table 9

Mean, standard deviations, and Inter-Item Correlation Matrix

Table : Mean, standard deviations, and Inter-Item Correlation Matrix

Dimensions (Variables)	Mean	SD	CL	ID	TL	EP	ES	SC	SL	KP
1. Continuous Learning (CL)	5.29	.903	1.000							
2. Inquiry and dialogue (ID)	5.20	.916	0.728	1.000						
3. Team learning (TL)	4.99	.944	0.372	0.540	1.000					
4. Empowerment (EP)	5.08	.896	0.329	0.443	0.675	1.000				
5. Embedded system (ES)	5.08	.861	0.315	0.379	0.412	0.503	1.000			
6. System connection (SC)	5.29	1.056	0.203	0.290	0.332	0.427	0.370	1.000		
7. Strategic leadership (SL)	5.08	.989	0.286	0.324	0.263	0.307	0.478	0.320	1.000	
8. Knowledge performance (KP)	5.31	.761	0.319	0.322	0.113	0.260	0.404	0.408	0.517	1.000

Note : Sample size = 127 for all analyses, each dimension is measured by 7-point likert scale.

Effectiveness of learning organization practices in cottage and small industries

ANOVA Test

Table 10 presents that F-value is 11.375 denotes that more evidence and rejected the null hypothesis. Whereas the p-value is less than 0.05 (α) (.000<0.05) means regression model statistically significant. Hence, Effectiveness of learning organization practices in cottage and small industries of DRMM is significant.

Table 10

Analysis of variance table

				ANOVA[a]		
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	29.261	7	4.180	11.375	.000[b]
	Residual	43.729	119	.367		
	Total	72.990	126			

a. Dependent Variable: KP

b. Predictors: (Constant), SL, TL, SC, CL, ES, EP, ID

Coefficients test

Table 11 presents that the value of KP (constant)'s unstandardized coefficient (B) is 2.133 and all predictions (Dimensions of learning organization) are zero. Where CL (.102), ID (.092), EP (.060), and ES (.125) is associated with increase in KP holding other variable. However P-value is (CL (.248), ID (.338), EP (.504), and ES (.122)) greater than 0.05, which are not statistically significant in predicting variable (KP). Further TL is negative (-.219) associate with constant (KP) and significant with predicting value (.010<0.05) and negative impact. The SC and SL statistically significant and P-values are .003 and .000 consequently which are less than .005 (critical value).

The in terms of collinearity tolerance values of independent variable, ID has value .377 lowest and highest value of SC has .762. The VIF also lowest value is 1.313 (SC) and highest value is 2.653 (ID) lies under the 1 to 5 range means moderate acceptable model. In contrary of these different statistics tests indicates the moderately reject the null hypotheses. Or the effectiveness of learning organization practices in cottage and small industries of DRMM is acceptable.

Table 11

Coefficients test

		Coefficients [a]						
		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model		B	Std. Error	Beta	T	Sig.	Tolerance	VIF
1	(Constant)	2.133	.439		4.854	.000		
	CL	.102	.088	.121	1.161	.248	.464	2.154
	ID	.092	.096	.111	.963	.338	.377	2.653
	TL	-.219	.084	-.272	-2.624	.010	.469	2.131
	EP	.060	.089	.070	.670	.504	.458	2.182
	ES	.125	.080	.142	1.558	.122	.610	1.640
	SC	.178	.059	.247	3.039	.003	.762	1.313
	SL	.269	.064	.350	4.205	.000	.728	1.374

a. Dependent Variable: KP

Note : CL= Continuous Learning, ID= Inquiry and dialogue, TL= Team learning, EP= Empowerment, ES= Embedded system, SC= System connection, and SL= Strategic leadership,

Model Summary

Table 12 shows that R square value is .401 indicates that a substantial portion of the variable is explained. The adjusted R square is less accurate model fit. However it is slightly lower (.366) than R square but still reasonable fit. The standard error (SE) indicates the average distance that data points fall from the regression line. In SE smaller value is more prefer to the prediction are closer to actual data. The SE value is .606 means the observed values of performance variable (KP) differ from predictor values by .606. And the F- value

11.375 is stronger evidence and P-value is less than 0.05 indicates the null hypothesis is rejected. The independent variables (Continuous Learning, inquiry and dialogue, team learning, empowerment, embedded system, system connection, and strategic leadership) have positive effect on dependent variable (knowledge performance). The practices of learning organization positive effectiveness on cottage and small industries performance of DRMM.

Table12

Model Summary

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F Change	df1	df2	
1	.633[a]	.401	.366	.606	.401	11.375	7	119	.000

a. Predictors: (Constant), SL, TL, SC, CL, ES, EP, ID

b. Dependent Variable: KP

Findings

This study has explored the practices of learning organisations and their consequent impact on the performance of cottage and small industries in DRMM. Specifically, this study aims to examine the practices, evaluate the dimensions and determine the effectiveness of the learning organisation in DRMM. A convenience sampling method was used for data collection. Reliability and validity tests were used in the seven dimensions learning organisation questionnaire (DLOQ) with one key performance (knowledge performance) indicator, in the context of cottage and small industries of DRMM.

The findings of this study indicate that the multivariate test analysis is statistical significant (p<0.001). The F-test (529.589) is high, demonstrating a very strong effect of dimensions of learning organization (DLO) over knowledge performance. The value of Pillai's Trace (.974) and Hotelling's Trace (37.071) are high, while Wilks' Lambda value (.026) indicates a significant multivariate effect of dimensions of learning organization on knowledge performance. Additionally, the value of Roy's Largest Root (37.07) denotes a strong effect of DLO. Overall, the results reveal that learning organization practices are positively adopted in cottage and small industries of DRMM.

However, the mean values of dimensions of LO are relatively high averaging around 5. Among the predictor variables (dimensions 1-7), the standard deviation (SD) of SL is relatively high (.989), while CL shows the lowest (.903). Furthermore, SC exhibits a comparatively high SD (1.056). Tor the context of KP (knowledge performance), the SD is .761, indicating relatively low value; however, this value still falls within an acceptable range.

The inter-item correlation matrix for the DLO reveals that ID and CL have the highest correlation value (0.728), indicating strong consistency. In contrast, lower correlation values are observed between SC and CL (0.203), SL and CL (0.286), and SL and TL (0.263). The knowledge performance (KP) variable, lower inter-item correlations

are found with TL (0.113) and EP (0.260). Despite of these consisting lower values, the correlation coefficients remain acceptable among the dimensions or variables of LO. Overall, The correlations between learning organization dimensions and the performance of cottage and small industries in DRMM are within an acceptable range.

This study provides evidence that the F-value is 11.375 indicates that a highly significant relationship between DLO (independent variable) and KP (dependent variable). Moreover, the significant level of p-value is less than 0.05 (α) (p=.000<0.05), conforming that the regression model is statistically significant. With respect to the regression coefficients, the unstandardized coefficient (B) for the KP (constant)'s is 2.133, indicating the expected value of KP when all prediction variables (Dimensions of learning organization) are held at zero.

The results indicate that CL (.102), ID (.092), EP (.060), and ES (.125) are positively associated with KP when other variables are held constant. However their P-values (CL =.248, ID= .338, EP=.504, and ES=.122)) are greater than 0.05, indicating that relationships are not statistically significant with KP (predictors variable). In contrast, TL (-.219) shows a negative association with KP (constant) and statistically significant (p=.010<0.05), suggesting that TL has a significant negative effect on KP.

Likewise, the results show that SC (.003) and SL (.000) are statistically significant, with P-values of .003 and .000, respectively, which are below the .005 (critical value).The collinearity tolerance values of DLO, indicate that variables range from .377 (ID), which is lowest, to .762. (SC), the highest. Similarly, the variance Inflation Factor (VIF) values range from 1.313 (SC) to 2.653 (ID), all of which fall within the moderate acceptable range of 1 to 5, indicating no serious multicollienearity concerns and an acceptable regression model. In overall, these statistical tests suggests that the effectiveness of learning organization practices on the performance of cottage and small industries in DRMM is reciprocal or positive and statistically acceptable.

Whether, the findings may not fully able to represents actual information of all relevant respondents. Hence, the study was limited to a small geographical area, population, and applied method. Consequently, the result cannot be generalized to all industries. Further, to generalize and robustness of the findings, research can be extend the scope of the study further sectors, such as education, manufacturing, healthcare and related industries.

Conclusion

The learning organization (LO) is a relatively recent management approach that emphasizes a continuous learning culture throughout the organization. Although the idea of fostering management dynamism in response to evolving global business environment began to shape between in 1060s to 1980s, the notion of the learning organization became clearly articulate in 1990 with Peter M. Senge's the book *"Fifth discipline: The art and practice of learning organization.* A learning organization is a culture of continuously learning overall organization. Obviously, it learns, adopts and changes or innovates to enhance its competitiveness and long-term success. Consequently, Thus, LO represents a highly valued transformational approach in contemporary management phenomenon, particularly within the context of globalization.

In summary, the findings indicate that: (a) learning organization practices reciprocally or positively influence the organizational performance of cottage and small industries; (b) the inter-relationships among the dimensions of learning organization and performance of cottage and small industries demonstrate an acceptable mode, and (c) learning organization practices have positive effect on the performance of cottage and small industries in DRMM.

Implication

Cottage and small industries play a vital role in local economic activities by utilizing local resources, create employment opportunities, and contributes to community development. Though, they are facing significant challenges, including limited resources, inadequate training, and inefficient management practices as well. This study endeavors to identify these challenges and explore how LO practices can effectively address them, ultimately organizational performance. It is recommended that learning organization practices be actively adopted and implemented, LO practices effectively enhance overall organizational performance, increase resilience, and provide valuable insight for sustainable growth. The result of this study provide a meaningful implications for policy makers, entrepreneurs, managers, and researcher in reforming and strengthening the dimensions of learning organization concept. In addition, this study suggests that certain dimensions with relatively low consistency and weaker items inter- correlations may require further reformation, with respect to cultural factors.

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