The role of learning orientation and customer relation on company performance: Empirical evidence from telecom industry in Kazakhstan

Blekinge Institute of Technology
School of Management
MBA

Master Thesis in Business Administration

Authors: Yelena Khlyonovskaya, Elena.Hlyonovskaya@gmail.com
Giselle Hudson, gizhud@gmail.com

Supervisor: Ossi Pesämaa

COMPLETE MBA THESIS
ABSTRACT

Purpose

The purpose of this thesis is to explain how and under what conditions learning orientation of the customer relations staff of GSM Kazakhstan (Kcell) is linked to the performance of the company. The purpose of this thesis is two-fold: First we proposed and test how learning orientation affects organizational commitment of the company through developing staff competencies. Secondly propose and test how relationship between CC and the company's performance can be formulated.

Design and methodology

The methods and research design will guide readers through the steps taken to complete the contained thesis. These steps will also help other researchers to be able to reproduce this research by following the path outlined in the methods section. All measures, definitions and operationalization are based on earlier research. The rationale for the research approach was carefully considered and explained so that readers of this thesis can obtain a clear appreciation of the objective of this research.

Findings

We suggested a model including four hypotheses. First we suggested Learning Commitment have a positive (+) effect on Company Commitment. We did not find support for this relationship. Secondly, we proposed Shared Values have a positive (+) effect on Company Commitment. This hypothesis was also rejected. Third, we proposed Open Mindedness have a positive (+) effect on Company Commitment. Here we found strong significant support. As expected we also found support for our fourth hypothesis that is Company Commitment have a positive (+) effect on Performance of the company. Our findings thus mean that performance is strongly related to commitment, which depends on the construct of open mindedness.

KEYWORDS: Learning Orientation, Company Commitment, Performance
Acknowledgments

Studying at Blekinge Institute of Technology for international student especially with English as a second non-native language requires quite a lot of effort; the supervising approach used by Ossi Pesämaa gave us the necessary support and direction to work on our thesis in a pragmatic manor. We appreciated the course offered by BTH and also our course supervisors who have worked with the distant students on the overall courses to lead to the final thesis work.

We are very thankful to Kcell’s management who have provided a collection of information for our thesis and gave us access to their internal documentation about their company.

Excellent experience was received while working with our thesis partners, we obtained valuable help from each other as we always had a shoulder in case of difficult situation during the overall work. Our thesis opponents prepared very valuable evaluations which were very beneficial to us in our final thesis preparation. Also we can not under evaluate the roles of our families and friends and we want to thank them for their overall support.
CONTENT

ABSTRACTS
ACKNOWLEDGMENTS 3
1. INTRODUCTION 7
2. PROBLEM DISCUSSION 8
   2.1. Research question 10
   2.2. Problem Purpose 10
   2.3. Delimitations 10
3. THEORY 10
   3.1. Performance 11
   3.2. Learning Orientation 13
   3.3. Commitment and interrelation between concepts 15
   3.4. Theoretical model 19
4. METHOD 19
   4.1. Research design 20
   4.2. Data Collection 24
5. ANALYSIS OF EMPIRICAL RESULTS 27
   5.1. Traditional model of science 27
   5.2. Unit of analysis and level of abstraction 27
   5.3. Presentation of empirical results 28
   5.4. Reliability and Validity 33
   5.5. Test of hypothesis 34
6. DISCUSSION OF FINDINGS 35
7. CONCLUSION AND IMPLICATIONS 37
   7.1. Implications and recommendations 38
8. REFERENCE LIST 39
APPENDIX A: CONCEPTUAL RESEARCH PROCESS DESIGN 45
APPENDIX B: JOB DESCRIPTION OF GSM KAZAKHSTAN OPERATOR (CUSTOMER RELATION REPRESENTATIVE) 46
APPENDIX C: QUESTIONNAIRE: EMPLOYEE PERCEPTION OF LEARNING IMPORTANCE 47
APPENDIX D: GSM KAZAKHSTAN (KCELL) COMPANY BACKGROUND 49
FIGURES

FIG. 3.1. THEORETICAL MODEL OF RELATIONS BETWEEN LEARNING ORIENTATION CONCEPT, ORGANIZATIONAL COMMITMENT AND PERFORMANCE 19
FIG. 5.1. DEMOGRAPHY OF GENDER OF RESPONDENTS 28
The role of learning orientation and customer relation on company performance: Empirical evidence from telecom industry in Kazakhstan

TABLES

TAB. 4.1 THESIS SCHEDULE 24
TAB. 5.1 RESEARCH DESCRIPTIVE 29
TAB. 5.2 CORRELATION OF OPERATIONAL VARIABLES 31
TAB. 5.3 SUMMARY OF RELIABILITY 32
TAB. 5.4 TEST OF HYPOTHESIS 34
1. INTRODUCTION

Relationship between customers’ and the corporation is known as being fundamental for the corporation’s performance (Kropp, Lindsay and Shoham, 2006). While customers may sometimes only interact with one person during a day, an operator or a frontline staff may interact with more than 100 individuals (Pesämaa, Hair, Klefsjö & Örtqvist, 2007). These interactions and the way they are developed are crucial for companies. In addition, their training (staff), knowledge and experiences can be decisive to the company’s performance. The requirement of the customer in today’s world is continuously evolving (Barrett, 2011) and if misunderstood the company may experience a migration of its customers to another provider of the same service. Inappropriate behavior towards customers may contribute to conflicts and misunderstandings. Considering the ease of switching between providers customers may easily move to competing providers. Peter Drucker’s (1995) views alluded to the fact that organizations should be customer oriented in order to reap the benefits of success in the form of profit.

One supreme goal of any company is to attract and retain customers. It is assumed such activities enhance productivity and further to that, profits will be optimized. But long-term relationships depend on the ability of the company to keep customers satisfied. On average, a satisfied customer tells three people about a positive product experience, whereas dissatisfied customers is said to divulge complains to eleven people (Armstrong, 1999). This is directly reflected on the company’s performance and hence to its revenue.

The communication sector in general can be considered as a significant contributor to national economies as global telecommunication contribute approximately seventy six percent (76) of the total revenues for the global majority (Ofcom, 2011). Kazakhstan’s situation differs due to its geological exploration works, crude oil and gas extraction which all play a major role in the country economy. Yet, the communication industry has developed extensively during the last decade. In the communication industry subscriptions represent the largest contributor to the overall revenues (www.ofcom.org.uk). This means payments for services by individuals and entities are approximately eighty seven percent (87%).

Today when mobile penetration in Kazakhstan is over 100% (PROFIT, 2011) and competition for each client is very intensive, Kcell focus on relationships with its
The role of learning orientation and customer relation on company performance: Empirical evidence from telecom industry in Kazakhstan

customers. One focus is learning in terms of understanding what is required of the company (Sinkula, Baker, and Noordewier, 1997). Changes in the external environment, impact from the company’s competitors and partners are essential to the development of workplace skills to cope with workplace changes (Brown et al., 2001). In today’s workplaces, continuous competence development is a necessary fact of life (Kanter, 2003).

Kazakhstan population is approximately 16.5 million, with a Gross Domestic Product (GDP) of 5.9%, which is projected to change by the end of 2011. Current penetration of mobile connection is ninety eight percent (98%), fixed telephony contributes approximately twenty six percent (26%) while broadband attributes fourteen percent (14%) (TeliaSonera, 2010).

This thesis has a strong empirical angle. Our thesis is conducted at GSM Kazakhstan (Kcell).

2. PROBLEM DISCUSSION

The relationship between the organization and its customers is channeled through its staff members (Appendix B). Therefore, companies want their staff to deliver quality service through growing their competencies. Competencies are understood to be "an underlying characteristics of a person which enables them to deliver superior performance in a given job, role or situation". Competencies are developed through the human resource (HR) intrinsic interest in identifying competencies in employees and matching these competencies with the organizational needs (Marshall, 1996). Staff competence learning is considered to be a core competency which can be used to gain a competitive advantage (Sinkula, Baker and Noordewier, 1997). The lack of competence in serving clients (Coutler, 2002) could hamper communication or even create a barrier which may negatively affect the company’s performance.

Another important argument of competency learning is not only that employees will be capable after the learning process, but also that the emotional, psychological condition and commitment to the organization can potentially be formed in the process of learning which will allow the staff to use their full potential to achieve superior performance in the workplace. Although the literature on organizational socialization (entry into the role of newcomers), included as a learning process stated that learning positively affects Company commitment (CC), formal training does not
necessarily lead to the formation of CC (Filstad, 2011). Filstad summarized in her study that learning is often treated too simply, without considering the process of informal learning.

Shore and Martin (1989) argue performance and turnover affect job satisfaction. Later research has already taken CC as a basis of explaining the behavior of employees. Some research suggests that this relationship does not exist. Such research claim results reached by the Shore and Martin showed that in some situations, commitment, and in other situations job satisfaction play a more significant role. This can be explained by the differences in the approaches of professional and nonprofessional employees. The first of which is more committed to the current position and professional experience, while the latter is to the company (Gouldner, 1957)

Conceptual link exists between learning orientation (LO), and performance of the company through CC. Yet, few studies explicitly address how these components influence each other and how to measure this influence empirically. CC, LO and performance are separate concepts which are widely studied, nevertheless additional research is required to determine their interrelations in order to build a theoretical conceptual framework and test the empirical application.

This research will be based on the case study of the Kazakhstan Telecommunications Company. It is relevant to this study as there is lack of research in Kazakhstan in this area and results are expected to aid Kcell and other companies to realize the influence that staff customer relation competencies have on the performance of the company. The purpose of this study is to add empirical research results to the academic literature and to provide practical suggestion to the development of an effective LO culture.

1.1 Research question

How and under what conditions does the LO of customer relation staff of Kcell linked to the performance of the company?
1.2 Problem purpose

The purpose of this thesis is two-fold: First, to propose and test the relationship between LO and CC. Secondly, to propose and test the relationship between CC and company performance.

1.3 Delimitations

This thesis is based on one company’s experience which represents half the mobile market of Kazakhstan and is also based on the availability of information to be used for the research. As this company represents half of the mobile market of Kazakhstan we find it reasonable to focus on data collection in one company. Secondly, more than one company could significantly delay the process of data collection, therefore that approach was rejected due to thesis time limitations. Even during the agreed method of data collection unforeseen circumstances occurred where limited the background data of the interviewee’s performance became unavailable due to restriction access of the information.

In the thesis we evaluated learning orientation of the customer relation representatives because the company’s quality of service is assessed by the customer after each contact by phone or face-to-face interface with the customer service representatives of the company (staff).

3. THEORY

The main theoretical model is to demonstrate the linkage between concepts characterizing learning orientation (LO) in the targeted company and the company’s performance with the assumed meditation concept of organization commitment (CC). There are several major streams of literature that were reviewed to provide support to the proposed theory. Firstly, separate concepts will be analyzed, after words the links and relations between them will be described.
3.1 Performance

Performance Measurement

Performance concept is widely discussed in strategic literature (Venkatraman and Ramanujam, 1986). While many discuss various aspects of performance we rarely could find the exact definition or even scales of measurement of performance (Johnson, Richard, Devinney and Yip, 2009). There are certain measures which could help to understand the effectiveness of the company’s function yet could not definitively tell anything about the company’s performance.

The only profit center for any company is the customer who pays for goods and (or) services (Drucker, 1995). Yet, the company's economic results cannot be determined only by the number of customers it has or by the amount being paid for the services or goods it offers. There are multiple dimensions in terms of financial performance which reflect fulfillment of economic goals (such as sales growth, profitability, etc.) and operational goals (such as market share, quality of service or products, customer satisfaction, innovation, competencies of personnel, etc.). Venkatraman and Ramanujam (1986) suggest two types of performance data which can be used to evaluate how successful a company is. According to Venkatraman and Ramanujam (1986) the two type of performance data are called primary (collected in organization) and secondary (from publicly available records) data. Successful organization should pay attention to their operating efficiency and strategic positioning, increasing revenue and decreasing costs (Porter, 1996). But more companies today are relying increasingly not only on financial, but also on their operational indicators (Eccles, 1991). In other literature, performance measurement is divided into objective and subjective types. The former includes accounting and financial-market methods of measurement, and the latter is all that we can learn from the key informants or respondent about the company’s performance (Richard, Devinney, Yip, and Johnson, 2009).

Certain variables exist in the literature, which could be presented as predictors of the company’s performance (see Appendix D for Kcell performance measures). Some of which will be analyzed further.

Performance and entrepreneurship
Techniques to achieve high performance are not the same for all companies, even if they are competitors in the same field of business (Pesämaa, Shoham, and Ruvio, 2011). According to the theory of Covin and Slevin (1991), entrepreneurial posture which stimulates economic and individual performance - performance is a dependent variable. Entrepreneurial posture is understood as the behavior of risky investment and strategic actions in the face of uncertainty, pioneering, innovation, and technological leadership. This model shows where entrepreneurial posture plays a moderating role in external, strategic and internal factors or variables. The external factors are market conditions, industry and other environment affecting the organization from the outside and generally beyond the control of the company. When speaking of the strategic factors, meaning the company's strategy designed to meet the external environment. The final factor is the internal factors, these factors are closest to our research since it focuses on the core competencies and covers learning orientation as one of them (Kropp, Lindsay and Shoham, 2006).

Entrepreneurial posture, especially in the area of pioneering innovation is first place in the telecommunication industry since telecommunication has become a part of everyday life and much more effort is needed to impress subscribers today. For Kcell as well as for other telcos (telecommunication providers), it is important to launch action or campaign (service, rate plan or even discount) very fast ahead of their competitors in order to be first to attract more subscribers. The overall chain of the launching process should effectively start from an idea and end with an announcement with the addition of new customers.

**Performance and market orientation**

Marketing orientation is understood as the culture of the company, where the consumer-client relationship is central to satisfy the customers’ needs which should be a fundamental task for any company. Marketing orientation consists of three (3) components, these are: the focus on the customers, the focus on competitors and cross-functional coordination. Marketing information is collected, disseminated and influenced on behavioral change according to the new interpretation (Sinkula, Baker, Nordenvier, 1997). It is similar to the skills which attributed to “learning organizations” by Garvin (1993) at creating, acquiring, transferring knowledge, and modifying the company’s behavior to reflect the new knowledge and insights. In comparison to entrepreneurial posture, some surveys have shown that the strength of the relationship between performance and marketing orientation is not influenced by external factors (Jaworski and Kohli, 1993; Gima, 1995). On the contrary the
marketing orientation affects how much the company can successfully adapt to the conditions of the external environment as a learning organization. The level of marketing orientation itself may be influenced by external factors such as economy, market and competition (Kohli and Jaworski, 1990).

Returning to the method of marketing orientation on the company two approaches are described, these are: 1) continuous cross-functional study of customer needs, opportunities and strategies of the competitors 2) cross-functional coordination on the development and use of this learning process (Slater and Narver, 2000). That is, relationship between marketing orientation and profitability of the business or its high performance when the marketing orientation is linked to the learning of customer and competitor.

3.2 Learning orientation

There are several key processes related to learning where each company can improve itself, these include understanding the customer needs, be more informed about changes of an external environment for the sake of timely developing necessary skills to cope with the new requirements. (Brown et al., 2001). Personnel development helps employee induction and professional growth, also extend knowledge according to the current needs.

Definition of organizational learning

The term “Organizational learning” is mentioned in literature from the 1980’s (Harrison, Leitch, 2005). While studying the learning concept the conclusion drawn from researching management and organizational literature is that learning is: - experiential, it changes the character of behavior, concerns the individual getting knowledge in a certain context and the lastly, learning is a process which is supported by organizational routines. Organizational learning is understood as a formal goal and underlined processes need to be developed for it to succeed (Ghoshal, 1987).

In general most scholars identify three main components of organizational learning, that is: - organizational values, market information processing and organizational actions (Sinkula, Baker, and Noordewier, 1997). Although there are some variances in
the specifics, of organizational learning, scholars typically conceptualize market information processing as four primary constructs. These constructs are namely, information generation, dissemination, interpretation, and memory (Day 1994; Dixon 1992; Sinkula 1994). As per other researches there are three organizational values routinely associated with the predisposition of the company to learn, these are commitment to learning, open-mindedness and shared vision (Day 1991, 1994; Senge 1990; Tobin 1993) which will constitute the learning orientation (LO) for our current research. When learning is happening throughout the company, the staff will reconcile the internal environment with an external and correct theory in use (Argyris and Schon, 1978). Drawing from the organizational values which are the core components which influence the satisfaction of the theory in use, all three of them need to be described in detail. Commitment to learning demonstrates how a company promotes their learning culture and makes the company reflective to the necessary changes (Shaw and Perkins, 1991). Open-mindedness is the ability to analyze obsolete processes, question them and make the necessary corrections (Day 1994; Porac and Thomas 1990; Sinkula 1994). Shared vision is pointing out where to go, and what the company’s expectations are in this learning process.

**Performance and Learning orientation**

Referring to the *Performance part* learning, behavior often plays a central role in enabling companies to pursue their strategic choices (Zollo and Winter, 2002), LO thus support organizations to go through and minimize the impact of various external situational factors like changes of economy, market forces and customer demands (Zhao, Li, Lee and Chen, 2010). For many years researches conducted produced a positive position in regards to the influence of the learning orientation or organizational learning on performance of the company (Lindsay, Kropp, Shoham, 2006). Organizational learning can be attributed to a role of forming the company's strategy as a way to identify new opportunities and cover new markets. A learning company is better in contact with its external environment, including the processing of new information received from customers, partners and suppliers and responding to rapid changes in the environment (Lindsay, Kropp, Shoham, 2006). In the area of global competition and global strategy, organizational learning in large corporation is exactly that competency of continuous success (Ghoshal, 1987)
3.3 Commitment and interrelations between concepts

**Definition of commitment**

Commitment is strongly related to loyalty (Pesämaa, 2007). Its origins goes back to literature which speaks of how individuals in marital situations “tie their hands” for a very long time (Pesämaa, 2007). Such long commitments mean that they invest resources and share intentions beyond temporal imbalances (Pesämaa, 2007). In addition it can overcome temporal difficulties and therefore be a reasonable proxy to measure the strength and performance in a relationship between a unit and an individual (Pesämaa, 2007). Similarly, commitment can measure the strength and likelihood of two or more individuals sustained in a group (Pesämaa, 2007). There are at least two approaches on how to define a company’s commitment (CC) (Steers and Porter, 1983). First, employee behavior emphasizes material behavior such as salary, bonuses and other benefits, which follows with the employee. Once they discontinue their relationship with the company such benefits likely end. The second dimension of CC emphasizes an attitudinal approach. This dimension of CC regulates what makes an employee loyal to the company’s goals and make him rather wish to stay with the company to facilitate its success. CC was defined by Bateman and Strasser (1984) as being “multidimensional in nature, involving an employee’s loyalty to the organization, willingness to exert effort on behalf of the organization, the degree of goal and value congruency with the organization, and desire to maintain membership”. According to Meyer and Allen (1990) CC is an emotional attachment to the organization and has an implications resulting in an employee’s wish to stay with the company, employees identifying him or herself with it and behave in a desirable way in the workplace. There are three components of this model of commitment, these are: affective (involvement), normative (moral) and continuance (compliance) commitment. Originally there was only affective and continuance types of commitment, which are emotional attachment to, identification with, and involvement in the organization and those were perceived with costs associated with leaving the organization. Allen and Meyer (1990) later suggested a third type of commitment - normative commitment, which reflects a perceived moral or official obligation to stay with the company. Commitment is also defined as being a positive evaluation of the organization and the organizations goals (Sheldon, 1971).

Porter et al. (1974) defined CC as a single construct, which we have taken as a base for our study because the strength of an individual’s identification and involvement with a particular organization is characterized by three factors: a strong belief in and
acceptance of the organization’s goals and values, a willingness to exert considerable effort on behalf of the organization, and a definite desire to maintain organizational membership. This approach was taken due to its wide application, popularity and due to best of our knowledge there is no such kind of research conducted in Kazakhstan. Yet, there are studies concentrated on commitment in terms of itself and its single construct definition which says that commitment should be studied as a multidimensional term. Each component of it leads to its own outcome (Slocombe and Dougherty, 1998). Studies conducted in Arabic countries also support new multidimensional approach to CC (Suliman and Iles, 2000)

There are various antecedents and outcomes related to CC which are being studied. “though the literature is fairly clear with respect to the outcomes of commitment, the antecedents of commitment seem to be much more varied and inconsistent…due to the several different ways in which commitment has been defined and operationalized”, Reichers (1985). Employee retention, attendance, organizational citizenship, and job performance are CC outcomes that are widely studied (Allen, 2008). An Employee’s commitment could be quite well influenced through management; i.e. if the employee’s commitment is to the management than it is loyal to the organization (Koopman, 1991). Niehoff et al (1990) found that the “overall management culture and style driven by the top management actions are strongly related to the degree of employee’s commitment”. Wong et al. (2007) suggested that there is a link between job satisfaction and CC in the Chinese society. Job satisfaction can be an antecedent or an outcome to CC. The results from Wang study supports the widely accepted hypothesis that job satisfaction is positively related to CC, and, specifically, job satisfaction serves as a benchmark in determining emotional responses to the workplace or the organization. If an employee is dissatisfied by only his or her profession or duty in the company then he or she will demonstrate low interest and lack of active work, but in case employee is dissatisfied with the overall company then it results in low CC (Mowday et al., 1982). Shore and Martin (1989) when studying CC and intention to stay in the organization were initially oriented that there is a strong link between them. Finally, the conclusion made showed that the relative relations could vary for professionals and non-professionals where for the first one commitment to profession could play a much more important role then CC. The cost of turnover and absenteeism could be quite harmful; this is the primary reason for studying the concepts interrelation with an aim to reduce possible loss (Blau and Boal, 1987).
Organizational learning and commitment

Possible influence of LO to CC is discussed, but the exact relationship between commitment and focus on LO is not widely studied (Atack, 2011), for example, the relationship between adherence to the company and the outflow of employees or, a focus on learning and culture in the company, satisfaction, performance.

Joo and Lim (2009) also found that the perceived organizational learning culture was significantly associated with organizational commitment, if an employee feels that the company cares about the learning system which could be formal or informal, team or individual, participation in strategic leadership of the company then employee becomes more attached to company. Here to say we are not always talking about improvements of company performance through commitment, but also about human resources tactics to keep talented employees and integrated approach of LO, CC and leadership are highly significant today to earn economic advantage (Joo, 2010).

The industry where commitment is highly important is in the field of medicine. Research conducted among the nursing profession showed that shared values plays a highly important role which strengthed the nurses’ commitment and let them deliver patient care professionally (McCabe and Garavan, 2008).

We are going to measure commitment as a single construct through the questionnaire created based on the Organizational Commitment questionnaire (OCQ, Mowday et al, 1982) which provides concentration to obtain data relating to the: intent to stay and job performance.

It was decided to analyze the connection between Learning orientation and organizational commitment according to the above mentioned structure with the variables such as learning commitment, shared values and open-mindedness. Therefore, in the hypothesis we assume the current state as the following:

H1: we suggest Learning Commitment have a positive (+) effect on Company Commitment
H2: we suggest Shared Values have a positive (+) effect on Company Commitment
H3: we suggest Open Mindedness have a positive (+) effect on Company Commitment
According to Mowday, Steers, and Porter (1982) committed employees demonstrate more effective work results, stay longer with the company and are emotionally connected to the goals of the company. Empirical research stated that there is no strong relationship between organizational commitment and performance (Slocombe and Dougherty, 1998) when it is studied as a single construct and as multidimensional one.

Most popular type of commitment studied by different researchers is affective organizational commitment (AOC) with the assumable reason in influencing any behavior of employees (Riketta, 2002). Through meta-analysis of the commitment–loyalty literature they have concluded weak relation between AOC and performance. The research examined goal orientation and organizational commitment in relation to employees’ job attitudes and performance in East-Asian hospital demonstrated performance is only affected by AOC (Lee, Tan, and Javalgi, 2010). The last hypothesis we are going to study is:

H4: we suggest Company Commitment have a positive (+) effect on Performance of the company
3.4 Theoretical model

The following hypothesis to be studied in this research is represented by the following theoretical model:

![Theoretical model of relations between learning orientation concept, organizational commitment and performance](image)

**Figure 3.1:** Theoretical model of relations between learning orientation concept, organizational commitment and performance

4. METHOD

The objective of the contained methods chapter is to provide a detailed description of the systematical principles used to answer the questions of this research. The contained procedures outlined in the methods will enable readers of this research paper to judge the validity of the research’s results and provide a measure of the probability to replicate the results obtained in this research.

The methods chapter is divided into several sections which will explain the research philosophy selected to collect and analyze the research data which will be used to generate an accurate and successful conclusion (Philiber, Schwab, and Samsloss, 1980).
4.1 Research design

During the process to determine the most appropriate research design to undertake, a literature study was undertaken. In order to conduct a valid literary study we reviewed and evaluated literature relating to employee commitment and performance to determine their relevance in adding value to the research design process. Dawson (2002) characterized such research method as the fundamental guiding principle for a research. In designing the main research method we selected multiple research methods. Such idea applies to Yin (2003) and is the principle of triangulation. Such principle will validate and view results from various means to achieve generalizable and valid results. Yin (2003) highlighted that the major research methods are case studies, surveys, experiments and achieved data. Achieved data will also be incorporated in this research to aid in the development of the background of the company being studied as well as the development of the problem leading to the reason for the research. Before these methods are chosen the research purpose and then the approach must be known and stated (Babbie, 2010).

4.1.1 Research Approach

According to Babbie (2010), the first step in research design is to determine the purpose of the research whether it is one that is descriptive, explanatory, exploratory or mixed before embarking on the research at hand. Exploratory research is defined as a research that is conducted when the researcher wants to examine a relatively new interest. Meanwhile descriptive research answers the what, where, how and when questions of the research while explanation research aims to answer the whys of the research questions (Babbie, 2010). Learning orientation in organization is not a new concept as it is fundamental to the continuity of any organized system. However, more incite is required to understand how, what and why the success of learning activities can be linked to staff commitment to the company and ultimately the company’s performance (Prahalad and Hamel, 1990) at Kcell. Since this research is focused on examining the how, what and why, it has a shared purpose of being both an explanatory and a descriptive research.

Babbie (2010) suggest a conceptual design (i.e., theoretical idea) precedes the selection of the method to be employed in the research. Please see Figure 3.1, located in the appendix which shows the conceptual design for this research thesis.
Creswell (2008) stated that the type of research methods employed depend on factors such as the selected strategy and type of research problem being solved. The research method employed can either be qualitative or quantitative. In social research the distinction between qualitative and quantitative research is determined by the type of research data being evaluated. That is, whether the data is numeric or non-numeric.

Babbie (2010) describe a typical research approach in social science involving a qualitative observation. Practically this means a respondent (i.e., key informant) offer a subjective assessment by filling out a questionnaire or measuring the performance of an instrument. As long as the data is not quantified to numerical data it remains qualitative. However, when the data is translated into numerical values it becomes a quantitative research.

Quantitative research approach has its advantages as it quantifies and places a measure to a quality, making the research observation more implicit than with the use of just description as employed in the qualitative research approach. The quantitative research approach translates the operational conceptualization into measurements (Babbie, 2010). There can however, be disadvantages to quantitative research, i.e. if variants are not properly explained then misinterpretation of results may occur. Quantitative research approach employs strategies such experimental research or sampling (Creswell, 2008) which is used in research involving surveys.

The research approach for this thesis will start from a qualitative approach in conducting literary reviews, observation and obtaining answers through the use of questionnaires which will help to deduce the theoretical preposition and framework of the research. The research will then take a quantitative approach to group, quantify and analyze the numerical results which will serve as an implicit ratification to the explanatory and descriptive nature of this research. The emphasis on quantifying observation follows the ideas that our problem that is relatively well known in the theory. We can thus benefit from established measures and established findings to generalize our results. Specifically the main approach to this research will take the form of a case study of Kcell (Appendix C) in order to obtain an in depth understanding of the company to identify experiences or behaviors which can aid in providing answers to the primary research question.
4.1.2 Case Study

Yin (2003), argue a case study is an empirical inquiry that investigates contemporary phenomenon in the real life context when the boundaries between the phenomenon and context are not evidently clear. Yin (2003) urge researchers to describe the rationale to conduct a case study. The rationale for a case study may include the form or type of research question being answered (Yin, 2003). In the case study approach the significance of the findings is obtained, According to Yin (2003) the first part of the logic design of the research helps in the understanding of the case studied by continuing to distinguish them from the other research strategies that already exist. Yin (2003) makes reference to the case study inquiry which he states that it:

1. Copes with the technically distinctive situation in which there are more than one variable of interests.
2. Relies on multiple sources of evidence with the data converging in a triangular fashion.
3. Benefits from prior development of theoretical assumptions to guide the data collection and analysis.

Case studies can be single case or multi-case design. Single case design is used when a primary distinction is to be made. The single case design is liken to a single experiment (Yin, 2003). Single case studies can also be employed when testing a well formulated theory. Another rationale for the use of single case design occurs when the case being represented is extremely unique. On the other hand, single case design is used when the objective is to capture everyday situations and conditions of a firm (Yin, 2003). Single case design can also be employed when the outcome of the case study is revelatory and also one of a longitudinal study purpose.

The converse of single case design is the Multi-case design which is typically used in cases where the understanding of literal and theoretical replications is required. Multi-case designs usually use two or more case being selected and compared. Since the aim of this research thesis is to produce revelatory results of a typical case where information will be obtained from questionnaires represented as a cross sectional study. Customer service representatives will provide the answers to researchers’ defined questions via questionnaires. These questionnaires being answered will be done by a cross-section of employees of different age and years of employment in the target company which will add validity to the research sample selection and empirical pattern obtained from the respondents of the questionnaires. The research will benefit from prior developed theory which will be tested using the targeted company. Data
for this research will be drawn from multiple sources which will indeed converge in a triangular fashion as described by Yin (2003). The case study method was more appropriated to be used to test the theory as more than one variable was of interest and a measure was needed to be placed to the qualitative nature of the theory of the research information. Kcell was chosen as the subject of the case study. The target company was chosen because of the accessibility to company information and its staff. Also Kcell is one of the largest telecom providers in Kazakhstan, the company has over the years improved its customers and hence its market share. Therefore, this company is an ideal subject to conduct the case study design research on to obtain relevant results and conclusions to the research questions of this study.

4.1.3 Sample Size

It was important to identify a sample representative for our research question. As we have an explanatory design sample size is critical to reach generalizations. Moreover, one sample size design objective was to maintain the integrity of the research while achieving empirical results that provided statistical significance to identify similarities and differences to the proposed theory.

The proposed sample size consisted of one hundred out of a total of four hundred customer service representatives’ who have direct linkage to both customers and internal staff. This linkage which exists is key to our research as the customers are directly linked to the growth of the organization. The customer representatives are seen as the “organization” by the customer as customer service representatives are the first and at time the only contact which the customer interface with in the company. Hence the customer service representatives’ behavioral pattern is expected to be a reflection of the culture of the organization and can relate to both the internal and external views as well as the environment of the company.

The one hundred customer care representatives were randomly selected varying in age, education level and years of experience. Information was obtained using closed ended questions by the use of questionnaires with the aim to obtain information about the organization learning and employee commitment to the organization with the aim to link the outcome to the general performance or performance strengths of the organization. The one hundred (100) respondents (customer service representatives) were randomly selected out of a total of four hundred respondents. The main criteria for the involvement of the respondent in the surveys are the respondent had to be a respondent had to work at Kcell as a customer service representative who interfaced
with customers and the availability of the customer service representative to complete the developed research questionnaire (Appendix C).

4.1.4 Schedule

Table 4.1 below is the schedule of the thesis project. After December 23 we have received comments and made amendments and revisions to improve clarity.

<table>
<thead>
<tr>
<th>Tasks</th>
<th>Duration</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Request Company Literature</td>
<td>2 Weeks</td>
<td>Sept 5-19, 2011</td>
</tr>
<tr>
<td>Thesis Topic Submission</td>
<td>1 Week</td>
<td>Sept 5-12, 2011</td>
</tr>
<tr>
<td>Evaluate Literature</td>
<td>2 Weeks</td>
<td>Oct 3-17, 2011</td>
</tr>
<tr>
<td>Review Company Data</td>
<td>4 Weeks</td>
<td>Oct 1-22, 2011</td>
</tr>
<tr>
<td>Distribution of Questionnaire</td>
<td>2 Weeks</td>
<td>Oct 1-Nov 15, 2011</td>
</tr>
<tr>
<td>Questionnaire Collection</td>
<td>2 Weeks</td>
<td>Oct 5-Nov 20, 2011</td>
</tr>
<tr>
<td>Analysis of Results</td>
<td>3 Weeks</td>
<td>Nov 21-Dec 10, 2011</td>
</tr>
<tr>
<td>Final Thesis</td>
<td>4 Weeks</td>
<td>Dec 23-Jan 9, 2012</td>
</tr>
</tbody>
</table>

Table 4.1: Thesis schedule

4.2 Data Collection

Data collection was conducted using methodical triangulation with the use of several research methods. According to Creswell et al. (1994) triangulation improves the trustworthiness and the validity of the research. The research questions and conceptual framework was used to sculpture the data collection process and the analysis method.

The primary source of data collection used was via questionnaires (Appendix C) completed by customer service representatives of Kcell who had direct contact with customers. The secondary sources of data collection employed in this research were
obtained from scholarly publications and background information. Scholarly publications or literature were obtained by the use of Google scholar, BTH’s online library and general online research from reputable publications relating to organizational commitment, organizational learning and performance research publications, as well as the target company performance information. The articles and publications were reviewed to obtain theoretical concepts that could be used to form links of association with the established framework of the research. On that premise as stated by Miles and Huberman (2004) the essence of data collection is to reveal and qualify the study. The data collected was used to qualify and validate the proposed theoretical concepts of the study.

4.2.1 Surveys of Customer Service Representatives

Prahalad and Hamel (1990) stated that company employees are more suitable to assess the development of competencies, on this premise employees of Kcell who had direct relations with customers were chosen to contribute to the this research via of questionnaires.

Kcell has four hundred (400) customer care representatives who provide direct service to the customers of the company. A sample of one hundred (100) of these customers service representatives were ask to respond to questions via questionnaires. The questions were carefully formulated to aid in this research and operationalized. The questionnaire (Appendix C) consisted of fifteen (15) questions where each question fell under one of five categories, namely commitment to learning, shared vision, open mindedness, commitment to company and performance.

4.2.2 Operationalization of our instrument

The three main learning components that was used as dimensions for evaluation were learning orientation, commitment to the target company and its influence to the company’s performance are:

- Commitment to learning. It is readiness to transform organization and put right accents into the learning process.
Open-mindedness is an ability to question existing theory in use to check if it is still valid.

Shared vision is a critical foundation of proactive learning and provide direction of what to learn and why.

Learning scales were developed based on the research of Sinkula, Baker, and Noordewier, 1997. The ability to learn from experience can determine the performance of the company (Argyris and Schon, 1978; Farrell, 2001; Nevis et al., 1995; Slater and Narver, 1995). Performance leads to the satisfaction of the customers’ needs (Day, 1994; Narver and Slater, 1990).

Commitment was defined as the main parts: *intent to stay and job performance* (Mowday, Porter and Steers, 1982). Our original operationalization included four variables but it was revised down to three variables (Questions). The final operationalization reflected willingness to commit work so that the company succeeds; willingness to take almost any task to keep your work; and turn down other job offerings. This operationalization is similar to Mowday, Porter and Steers from 1982.

Performance was defined as the perception and degree of supporting to sales and generating new customers (Pesämaa, Shoham and Ruvio, 2011). Our original operationalization of performance included six variables (Questions). The original operationalization included a broad spectrum, including measures of satisfaction. Our final operationalization had two items reflecting the extent they perceived operators contributed to more sales and attracting new customers. This definition is similar to Pesämaa, Shoham and Ruvio (2011).

The completed questionnaires were analyzed based on the operationalization constructs described. The research mainly consisted of the Customer Relation Department of Target Company and its employees of the non-supervisory positions who handled customers’ calls, those who have face-to-face contacts with the customers. The expected respondents of this research should be at least 80 respondents while the possible maximum is 400 respondents. However, samples of one hundred out of four hundred respondents were taken instead of the maximum possible sample. The data extracted from the questionnaires were tabulated and analyzed.
5. Analysis of empirical results

5.1 Traditional Model of Science

Traditionally, the scientific methods model used in science involved the use of three main elements namely: theory, operationalization and observation (Babbie, 2004). Where the hypothesis is derived from the theory, however, to test the variables they must be defined and a means of measurement developed, this is termed as operationalization. According to Babbie (2010) operationalization is the process of developing operational definitions or specifying the number of operations involved in measuring a variable. Therefore to present an accurate conclusion the variable chosen in the research have to be operationalized. The selected operationalized variables are explicitly stated in the section “operationalization” in this method. The operationalize variables are evaluated in the form of a questionnaire. The two logic reasoning system that can be attributed to the traditional model is the inductive reasoning and the deductive reasoning.

Inductive model uses general observations to develop its general principles while deductive reasoning model uses specific observations or expectations to develop the concluded research principles. In formulating the conclusion for this thesis the deductive approach will be applied as the conclusion obtained will be taken from the empirical data obtained during the data collection process. In order to measure the stated linkage first we will introduce term “theory in use” which is the main theoretical research design methods (Yin, 2003) which would relate to the research, which takes into account the organization employees or service representatives who act internally or externally of the company. Organizational activities are based on the theory which is transformed during interrelations with external environment and one of the factor which breeds desire to learn is organizational values or learning orientation (Sinkula, Baker, and Noordewier, 1997). The research results will be used to test the hypothesis of the theory.

5.2 Unit of analysis and level of abstraction

Main unit of analysis is the customer care employees of the target company whose views will be extracted with the aid of questionnaires. Results will have implications on employees useful to leadership at a management level. Level of abstraction is thus
the organization. Employees represent the respondents for the main source of data collection. The questionnaire developed is centered on the existing theoretical scales.

5.3 Presentation of Empirical Results

The objective of this section is present the quantitative data obtained from Kcell by the use of questionnaires (Appendix C). The data obtained will be presented is an organized and reflects the summary of the finding for the study.

5.3.1 Demography of Respondents

The demography of the responded consisted of both male and female customer service representatives of Kazakhstan Telecommunications. Twenty six (26) percent of the respondents were males while the remaining seventy four (74) percent of the respondents was female as shown below:

![Demography of Gender](image)

Figure 5.1: Demography of gender of respondents

The Figure above shows the ratio of female to male sample size. The respondents were between the ages of 22-34. For this research the age difference and sex of the responded were not have significant bearing to the research to be considered as a
factor that may affect the outcome or the quality of the research. 4.3.2. Empirical Approach

As explained in the data collection section the questions asked by the questionnaires were focused on scales such as measurement for Commitment to leaning (CL), Shared Vision (SV), Open Mindedness (OM), Commitment to Company (CC), and Performance (PF). The data was measured on a scale of 1 to 5 where 1 meant strongly disagree and 5 meant strongly agreed.

Some of the collected data was removed because there were missing values. Since an assumption of multivariate statistics is normality (Hair, Black, Babin and Anderson, 2010) we deleted some data which were not normally distributed. The summary of the values are reported in the descriptive Table 4.2 as shown. Due to issues beyond the control of the researchers all four hundred (400) responded could not participate in providing answers to the questionnaires only one hundred responded were given the opportunity to take part in the research.

<table>
<thead>
<tr>
<th>Descriptives (N=94)</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reflecting upon commitment to learning I would say all employees agree this company…</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training is a part of the company’s basic values and is seen as a key to improvement.</td>
<td>4.40</td>
<td>0.77</td>
</tr>
<tr>
<td>Training is seen as an investment. Not an expense.</td>
<td>4.44</td>
<td>0.73</td>
</tr>
<tr>
<td>Learning is seen as being necessary to guarantee organization survival.</td>
<td>4.24</td>
<td>0.90</td>
</tr>
<tr>
<td>Reflecting upon shared vision I would say all employees …</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share the fact vision is one of the key purposes of the organization.</td>
<td>4.35</td>
<td>0.79</td>
</tr>
<tr>
<td>Demonstrate an a total agreement on the company’s vision</td>
<td>4.12</td>
<td>0.88</td>
</tr>
<tr>
<td>Demonstrate commitment to the goals of the company in your work</td>
<td>4.21</td>
<td>0.85</td>
</tr>
<tr>
<td>View themselves as the partner in steering the direction of the company’s future.</td>
<td>4.32</td>
<td>0.72</td>
</tr>
<tr>
<td>Reflecting upon open mindedness I would say all employees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are confident to reflect critically based on the shared assumption about our customers.</td>
<td>4.07</td>
<td>0.98</td>
</tr>
</tbody>
</table>
The role of learning orientation and customer relation on company performance: Empirical evidence from telecom industry in Kazakhstan

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Realize our perception of the market place must be continually reviewed.</td>
<td>4.28</td>
<td>0.85</td>
</tr>
<tr>
<td>Collectively review the opinions we have about the way we view customer information.</td>
<td>3.79</td>
<td>1.00</td>
</tr>
<tr>
<td><strong>Reflecting upon commitment I would say all employees</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work hard in order to help this company succeed</td>
<td>4.34</td>
<td>0.82</td>
</tr>
<tr>
<td>Take on almost any task to keep working for this company</td>
<td>4.10</td>
<td>0.94</td>
</tr>
<tr>
<td>Turn down another job offer and stay with this company</td>
<td>3.90</td>
<td>0.95</td>
</tr>
<tr>
<td><strong>Reflecting upon performance during the time I stayed with this company I would say I have more than average contributed to...</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase sales</td>
<td>4.37</td>
<td>0.78</td>
</tr>
<tr>
<td>Keep customers</td>
<td>4.21</td>
<td>0.85</td>
</tr>
</tbody>
</table>

**Table 5.1:** Research Descriptive
Table 5.2: Correlation of Operational Variables

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q5</th>
<th>Q6</th>
<th>Q7</th>
<th>Q8</th>
<th>Q9</th>
<th>Q10</th>
<th>Q11</th>
<th>Q12</th>
<th>Q13</th>
<th>Q14</th>
<th>Q15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2</td>
<td>.70**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td>.66**</td>
<td>.51**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td>.51**</td>
<td>.43**</td>
<td>.47**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q5</td>
<td>.57**</td>
<td>.58**</td>
<td>.52**</td>
<td>.53**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q6</td>
<td>.64**</td>
<td>.61**</td>
<td>.55**</td>
<td>.61**</td>
<td>.76**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q7</td>
<td>.58**</td>
<td>.57**</td>
<td>.54**</td>
<td>.43**</td>
<td>.60**</td>
<td>.60**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q8</td>
<td>.46**</td>
<td>.39**</td>
<td>.38**</td>
<td>.54**</td>
<td>.52**</td>
<td>.52**</td>
<td>.46**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q9</td>
<td>.59**</td>
<td>.48**</td>
<td>.52**</td>
<td>.37**</td>
<td>.45**</td>
<td>.44**</td>
<td>.49**</td>
<td>.52**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q10</td>
<td>.28**</td>
<td>0.11</td>
<td>.37**</td>
<td>.27**</td>
<td>.33**</td>
<td>.30**</td>
<td>0.2</td>
<td>.42**</td>
<td>.54**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q11</td>
<td>.53**</td>
<td>.40**</td>
<td>.34**</td>
<td>.46**</td>
<td>.39**</td>
<td>.48**</td>
<td>.48**</td>
<td>.68**</td>
<td>.62**</td>
<td>.40**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q12</td>
<td>.52**</td>
<td>.40**</td>
<td>.44**</td>
<td>.38**</td>
<td>.52**</td>
<td>.60**</td>
<td>.55**</td>
<td>.38**</td>
<td>.51**</td>
<td>.30**</td>
<td>.46**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q13</td>
<td>.45**</td>
<td>.33**</td>
<td>.40**</td>
<td>.28**</td>
<td>.36**</td>
<td>.49**</td>
<td>.33**</td>
<td>.33**</td>
<td>.50**</td>
<td>.36**</td>
<td>.37**</td>
<td>.61**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q14</td>
<td>.61**</td>
<td>.47**</td>
<td>.45**</td>
<td>.36**</td>
<td>.45**</td>
<td>.55**</td>
<td>.33**</td>
<td>.43**</td>
<td>.30**</td>
<td>.47**</td>
<td>.39**</td>
<td>.34**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q15</td>
<td>.54**</td>
<td>.47**</td>
<td>.41**</td>
<td>.43**</td>
<td>.34**</td>
<td>.40**</td>
<td>.50**</td>
<td>.52**</td>
<td>.60**</td>
<td>.42**</td>
<td>.55**</td>
<td>.29**</td>
<td>.36**</td>
<td>.66**</td>
<td>1</td>
</tr>
</tbody>
</table>

** p<.01; *p<.05
Q1-3=Commitment to learning; Q4-7 =Shared vision; Q8-10=Open mindedness; Q11-13=Commitment to company; Q14-15= Performance
| Question | Factor | Loading 
Maximum Likelihood | Reliability 
(CR=Cronbach alpha; 
$r=correlation$=) |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>CL3</td>
<td>0.90</td>
<td></td>
</tr>
<tr>
<td>Q2</td>
<td>CL4</td>
<td>0.77</td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td>CL5</td>
<td>0.73</td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td>SV1</td>
<td>0.67</td>
<td>alpha=.83</td>
</tr>
<tr>
<td>Q5</td>
<td>SV2</td>
<td>0.82</td>
<td></td>
</tr>
<tr>
<td>Q6</td>
<td>SV3</td>
<td>0.88</td>
<td>alpha=.85</td>
</tr>
<tr>
<td>Q7</td>
<td>SV4</td>
<td>0.73</td>
<td></td>
</tr>
<tr>
<td>Q8</td>
<td>OM1</td>
<td>0.70</td>
<td>alpha=.74</td>
</tr>
<tr>
<td>Q9</td>
<td>OM2</td>
<td>0.82</td>
<td></td>
</tr>
<tr>
<td>Q10</td>
<td>OM3</td>
<td>0.57</td>
<td></td>
</tr>
<tr>
<td>Q11</td>
<td>CC1</td>
<td>0.74</td>
<td>alpha=.74</td>
</tr>
<tr>
<td>Q12</td>
<td>CC2</td>
<td>0.65</td>
<td></td>
</tr>
<tr>
<td>Q13</td>
<td>CC4</td>
<td>0.59</td>
<td></td>
</tr>
<tr>
<td>Q14</td>
<td>PF1</td>
<td>0.76</td>
<td>$r=.66$</td>
</tr>
<tr>
<td>Q15</td>
<td>PF2</td>
<td>0.87</td>
<td></td>
</tr>
</tbody>
</table>

**Table 5.3:** Summary of Reliability
5.4 Reliability and Validity

Reliability and validity are two of the most important characteristic which should be taken into consideration when procedures of measurements are to be employed in research. Reliability expresses the degree of consistency in the research measurement; it looks at the amount of random errors that may exist based on the measurement technique (Babbie, 2009). Thus it summarizes if a measure offer what it is purported to measure. In the case of this research reliability will be used to test the extent to which research questionnaire distributed to our respondents produced the same results if the procedure was repeated. If the results are reproducible then the measurements shows signs of reliability. It is important to note that results may shows signs of reliability but they are not valid. This is where a measure of validity comes in.

According to Yin (2003) validity in research is strengthened when several data sources are used in the research or if the evidence presented are explicit. The content validity was established for the operationalized items developed for this research was by way of feedback and suggestions from the current supervisor of this paper. This was done by sending test questionnaires (Appendix C) to our supervisor so that suggestions of an learnt party who has valuable experience in the area of core competence and research procedure could add value to the validity of this research. This is so called face validity (Hair, Black, Babin and Anderson, 2010) and is conducted by an expert in the field. According to Lacity and Jansen (1994) validity is termed as making common sense while being persuasive and being right to the reader. The researchers enhanced the validity of the research by taking into consideration the specific objective of the research in the construction of the question while reviewing the necessary publication contents to solidify the content of the operational instrument.

Hunter and Schmidth (1990) in their view summed up validity as being quantitative rather than qualitative; their philosophy was of the view that validity could be seen from the correlation between the operational variables as shown in Table 4.3. Table 4.3 reads so that each of the correlation within the suggested measures report multi-collinearity. This means there is significant correlation within the measures. Consequently it means these individual variables (i.e., questions) cannot be employed independently but as a factor. These factors represent the dimensions we suggested in the literature. Furthermore, as Table 4.3 reads each measure have a stronger correlation within the measure than towards any of the other measure. This is a first indication that the measures exhibit strong validity (Hair, Black, Babin and Anderson, 2010).
Table 4.4 as shown above represents the quantitative measurement of the reliability of the results obtained from the respondents of the questionnaire using the Cronbach’s Alpha Coefficient. Cronbach’s Alpha is a coefficient used as a measure of consistency or reliability in empirical research. This method of analysis was employed to the resultant data to test the reliability of the empirical results.

The variable factor and reliability coefficient was analyzed and were found to be reasonable for the measures as the suggested cut-off loading should exceed 0.5 (Hair, Black, Babin and Anderson, 2010). This is also true for our measure as it reads in Table 4.4. The results reported reliability as shown by the correlation coefficient in Table 4.3. The only measure that exhibited less than three variables was performance, which showed a high significant and robust correlation. This can be seen in Table 4.3. The Cronbach Alpha is reported for rest of the scales. All of them exceed the recommended cut-off of 0.7 suggested by Hair, Black, Babin and Anderson, (2010). Our measures thus meet the objective criteria of reliability.

Shore and Martin (1989) examined the differential relationship which they believed existed between job satisfaction and commitment to turnover intentions and job performance. Sinkula et al (1997) mentions that empirical test of the performance model should produce positive learning orientation that is expected to result in changes in the organization.

5.5. Test of hypothesis

<table>
<thead>
<tr>
<th></th>
<th>beta</th>
<th>P</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitment to company</td>
<td>----</td>
<td>&lt;-</td>
<td>Commitment to Learning</td>
</tr>
<tr>
<td>Commitment to company</td>
<td>----</td>
<td>&lt;-</td>
<td>Shared vision</td>
</tr>
<tr>
<td>Commitment to company</td>
<td>----</td>
<td>&lt;-</td>
<td>Open Mindness</td>
</tr>
<tr>
<td>Perf</td>
<td>----</td>
<td>&lt;-</td>
<td>Commitment to company</td>
</tr>
</tbody>
</table>

Table 5.4: Test of hypothesis

Looking at the theoretical model as previously described, the four (4) hypothesis were tested and the following results were obtained. The first hypothesis, H1 shows the link between learning commitment and commitment. As for H1 we can report that the company suggests that Learning Commitment (LC) has a positive non-significant impact on commitment to the Company (CC), and this is thus not supported. The standardized beta value from the regression =0.10 and the p-value shows it is at a non-significant level at 0.672 level. Shore and Martin (1989) research supported the fact that commitment would be highly linked to job satisfaction with turnover intentions.
Hypothesis two, H2 (Share Vision linkage to Commitment to company shows a positive non significant effect on commitment to company. This is thus not supported as from the table it can be seen that the beta value from the regression table is 0.14 and the p- value is non significant at a level of 0.449. Hypothesis three, H3 which suggests the link between Open Mindedness and Commitment to company has a positive significant effect on Commitment to company and this is thus supported by the resultant data. This can be seen from the strong regression of as much as 0.84 and a p value that is significant at a level of less than 0.000 levels. There is thus a strong significant relationship. Hypothesis four, H4 which suggests the link between commitment and performance we suggested that commitment to company have a positive effect on PF. This hypothesized relationship is supported. This is confirmed by the standardized beta value from the regression of 0.79 which is strong and a p value that shows its significance at a level less than 0.000. In essence the data confirms that two out of four hypotheses is supported. It can also be noted that the R squared value is 0.42 for company commitment and 0.76 for performance. This would suggest that we can explain 42% of variance in the company commitment and 76% of performance. The main predictor of commitment is open mindedness which shows the likelihood to outperform the other predicators and the company commitment which predict performance among other operators. The suggested hypothesis is in support of arguments put forward in the theory of this research and by Shore and Martin (1989) who stated that job satisfaction is strongly related to performance.

6. DISCUSSION OF FINDINGS

The discussion of findings is performed based on what was theorized at the beginning of the research, the review of similar research and the conditions under which the data was collected.

This study was undertaken with the aim of identifying the role of LO on the company’s performance or performance of the company’s employees. CC was taken as an intermediate chain connecting LO as an antecedent and performance as an outcome. Empirical study was conducted among customer relations representatives based on the extended Organizational Commitment questionnaire (OCQ, Mowday et al, 1979) with the main parts: intent to stay and job performance, limited to the amount of collected feedback responses.

Data analysis conducted generated findings on the proposed four hypotheses in the theory section. Only two of the hypotheses demonstrated the positive impact.
Learning orientation role in a company performance: Empirical evidence from telecom industry in Kazakhstan

Open-mindedness proved to have an influence on CC and CC was positively linked with performance. The analysis provided no proof of the influence on the linkage between commitment to learning and shared values to CC. Yet, the correlation table (see Table 4.3) shows that there is a relationship between all of the measures. CL and SV thus affect commitment to company and performance. However, it is likely that the effect of open mindedness (OM) outperform these predictors in the suggested model, which turn H1-H2 insignificant.

As to say, there are very few research (Atack, 2011), which propose relationship between learning orientation and commitment and there is research that say these notions are associated with each other (Joo and Lim, 2009). One component of LO which only influence’s CC is open-mindedness defined as the ability to analyze obsolete processes, question them and make necessary corrections (Day 1994; Porac and Thomas, 1990; Sinkula 1994). In addition, there is a possible way to explain this situation through the requirements to the Customer Relations representative’s work listed in job description (Appendix B), which is to provide actual information and processes. They are in fact low level employees and turnover rate among them is higher than within other company staff. They have low overall impact on a company processes and only transmitting information to the customers and collecting feedback for the company. Hence, commitment to learning and shared vision is not an obvious component of LO of customer relations representatives. Open-mindedness is what employee is doing every day – they notice what information in transmitted correctly, if there any obsolete one (marketing campaign, new tariffs and etc.,) and in order to inform timely about necessity in the new version of information.

As we expected CC positively influence the performance. But we could not fully confirm that LO is antecedent of CC in Kcell and there could be certain motivational factors such as:

- Payment process which depends on fixed KPIs measured during the month. Salary of Kcell customer relation representative is quite competitive on the Kazakhstani job market, also reputation among job providers also very high
- Choosing the best (during the week, month and year) representatives and giving an award to them.
- Strict discipline and control over operations of representatives
- Final, but not least meaningful is the management approach. Experienced top and middle management support all processes personally and are open for individual contacts

Weaknesses and strengths may exist in all type of research approach. It is no different for the approach used in this thesis as few weaknesses may exist in the methods employed.as the primary data collection method was the use of close ended questions in the form of a questionnaire. Close ended questions in the
questionnaires may be seen as a weakness as can be seen as a constraint to the research direction, alternatively, open ended question would have possibly brought to the forefront a linkage between variables which were not initially considered at the start of the research as it is a possibility that respondents would have included several other variables when answering the questions asked. Needless to say, the use of close ended question kept the research specific which in turn reduced the breath of the research and made the results more comparable as the responses were specific. The data was collected from a sample of approximately 25% of the total customer relation staff. The representativeness could have been improved if more respondents were involved in the research. Yet, as we applied tested measures we could ensure acceptable reliability despite the relatively low sample size. One limitation within our research was its limitation to the non-professional staff that directly interfaces with customers daily. The implication of this is, the results may differ if the professional staff were chosen as the respondents to this thesis research. The overall strength of the method used increased the population validity which is the ability of the results of the research sample results to be generalized to the wider population; population in the case of this thesis speaks to the remaining customer care staffs who were not direct respondents and also companies in the same industry.

The ability to quantify and analyze the data collected provided a direct measure to the qualitative aspect of the thesis which enabled us to present quantitative predictions as introduced by the theory which tested the hypothesis and added credibility to the research. The use of the quantitative testing of the hypothesis minimized the impact of personal biases and idiosyncrasies in this thesis thus presenting a research that is noteworthy and valuable to the telecommunication industry.

7. CONCLUSION AND IMPLICATIONS

In our research question we asked: How and under what conditions LO of customer relation staff of GSM Kazakhstan is linked to the performance of the company? There is indeed a link between these notions. Many researches other than current one have shown a positive example of influence LO to performance. The current study could not fully prove this relationship, having only open-mindedness as a factor indirectly linked with performance. The relationship was positive in the correlation table (i.e., our raw data) we thus find that under the condition of open-mindedness the effects of learning commitment and shared vision are likely mediated. This further means that as open-mindedness outperform the H1-H2 it should be centered to the model in the same way as the company’s performance. Practically this means that organizations that apply shared vision and
learning commitment may consider that company commitment and open-mindedness strengthen the effects of performance.

Considering other possible factors which could influence commitment of the company much more than learning orientation it can be said that the targeted company have long way forward. Despite all efforts to the learning process for customer relations representatives undertaken by the company it does not bring expected impact on commitment to the company which definitely influences performance.

7.1 Implications and recommendations

The current research demonstrates that there could be a different approach taken to investigate proposed hypothesis. Theoretical base also can differ from was chosen for the current thesis: as an option CC could be measured not as single construct, but as multidimensional construct which could help to get more detailed findings to work on. There could also be methodological variances like covering professional employees considering LO also as a way to improve professional skills, increasing amount of employees to get feedbacks and different way of questioning. Due to time constraints while working on the current thesis not all interested areas are covered, therefore, the following recommendations could be given to the researchers:

- To test suggested hypothesis on wider variety of respondents including professional staff, also as perform data collection for different company functions across the company (research would definitely give more clear results)

The overall intention of this thesis to test if learning orientation plays a significant role in the company success should be developed further due to influencing staff behavior and hence quality of the performed work.
8. REFERENCE LIST


Dawson, C. (2002), *Practical Research Methods*, How to Books Ltd, 3 Newtec Place,


Learning orientation role in a company performance: Empirical evidence from telecom industry in Kazakhstan


McCabe, T., & Garavan, T. (2008), A study of the drivers of commitment amongst nurses The salience of training, development and career issues. *Journal of European Industrial Training*, 32(7), 528-568


Learning orientation role in a company performance: Empirical evidence from telecom industry in Kazakhstan


Learning orientation role in a company performance: Empirical evidence from telecom industry in Kazakhstan


APPENDIX A
Conceptual research process design

INTEREST
CORE COMPETENCE

IDEA
LINKING COMPETENCE LEARNING TO PERFORMANCE

THEORY
ARTICLES BY SCHOLARS PREVIOUS RESEARCH

CONCEPTUALIZATION
CONCEPTS AND VARIABLES TO BE STUDIED

RESEARCH METHODS
EXPERIMENTS SURVEYS FIELD RESEARCH CONTENT ANALYSIS EXISTING RESEARCH DATA COMPARATIVE RESEARCH EVALUATION RESEARCH

SAMPLING
CUSTOMER SERVICE EMPLOYEES

OPERATIONALIZATION
DETERMINING MEASUREMENT VARIABLES.

OBSERVATIONS
COLLECTION OF DATA FOR ANALYSIS

DATA PROCESSING
TRANSLATING THE DATA COLLECTED TO A FORM THAT CAN BE UNDERSTOOD.

ANALYSIS
ANALYSIS AND CONCLUSION.

APPLICATION
REPORTING RESULTS.
### Overall purpose
Handles calls and serves the customers, provides information about the company services, tariffs, current marketing campaigns and other promotions.

### Key responsibilities:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Accepts calls and provides information about the company services, tariffs, current marketing campaigns and other promotions.</td>
</tr>
<tr>
<td>2.</td>
<td>Serves the customers and handles requests within his/her competence.</td>
</tr>
<tr>
<td>3.</td>
<td>Registers requests to enable further implementation by the responsible employees should such request be beyond his/her competence.</td>
</tr>
<tr>
<td>4.</td>
<td>Prepares reports in accordance with the formal requirements and submits them to his/her direct superior.</td>
</tr>
<tr>
<td>5.</td>
<td>Fulfills other tasks of his/her direct superior within the competence.</td>
</tr>
</tbody>
</table>

### Performance criteria:
Number of handles requests of subscribers and complaints within the monitoring period; time spent to handle a call and to provide necessary information; time spent to prepare requested reports.
APPENDIX C

QUESTIONNAIRE: EMPLOYEE PERCEPTION OF LEARNING IMPORTANCE

The aim of questionnaire is to collect information which will contribute to the main research task – to understand how and under what conditions are staff customer relations a primary competence of GSM Kazakhstan linked to the performance of the company. Learning orientation is proposed as the main factor causing significant influence if exists for customer relations staff, customer relations itself and hence performance of the company. *to learnlearning - means responding to changes in external and internal environments of the company by detecting and correcting theory in use, and embedding the results into working environment.

Three main learning components will be used as dimensions for evaluation learning orientation and its influence to customer relations and company performance. These are:
- Commitment to learning. It is readiness to transform yourself and put right accents into the learning process.
- Open-mindedness is an ability to question existing theory in use to check if it still valid.
- Shared vision is a critical foundation of proactive learning in the company and provide direction what to learn and why.

Please take the time to fill this questionnaire in as fully as possible. Please send completed questionnaires to Elena.Hlynovskaya@kcell.kz. Your participation is greatly appreciated.

<table>
<thead>
<tr>
<th>Name, Surname:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age:</td>
</tr>
<tr>
<td>Gender (underline): M \ F</td>
</tr>
<tr>
<td>Education (underline): Magistracy \ Bachelor \ High education\High school</td>
</tr>
<tr>
<td>Years of service:</td>
</tr>
<tr>
<td>Department \ Sector:</td>
</tr>
</tbody>
</table>
Learning orientation role in a company performance: Empirical evidence from telecom industry in Kazakhstan

Circle the best answer for each of the following questions:

<table>
<thead>
<tr>
<th>Question</th>
<th>Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reflecting upon commitment to learning</strong> I would say all employees agree this company...**</td>
<td></td>
</tr>
<tr>
<td>offer adequate learning ** to perform what is required on your workplace.</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>Have potential to learn * which is fundamental to the company’s competitive advantage.</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>learning is a part of the company’s basic values and is seen as a key to improvement.</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>learning is seen as an investment, not an expense.</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>Learning * is seen as being necessary to guarantee organization survival.</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td><strong>Reflecting upon shared vision</strong> I would say all employees...</td>
<td></td>
</tr>
<tr>
<td>share the fact vision is one of the key purposes of the organization.</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>demonstrate an a total agreement on the company’s vision</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>demonstrate commitment to the goals of the company in your work</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>view themselves as the partner in steering the direction of the company’s future.</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td><strong>Reflecting upon open-mindedness</strong> I would say all employees...</td>
<td></td>
</tr>
<tr>
<td>are confident to reflect objectively based on the shared assumption about our customers.</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>realize our perception of the market place must be continually reviewed.</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>collectively review the opinions we have about the way we view customer information.</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td><strong>Reflecting upon commitment to the company</strong> I would say all employees...</td>
<td></td>
</tr>
<tr>
<td>work hard in order to help this company succeed</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>take on almost any task to keep working for this company</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>are proud to be working for this company</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>turn down another job offer and stay with this company</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td><strong>Reflecting upon performance</strong> during the time I stayed with this company I would say I have more than average contributed to...</td>
<td></td>
</tr>
<tr>
<td>increase sales of services and products</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>Identification of potential customers</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>improved quality of service (time to serve)</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>improved customer satisfaction</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>increased amount of served clients</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>improving social climate at work</td>
<td>1 2 3 4 5</td>
</tr>
</tbody>
</table>
APPENDIX D

GSM KAZAKSTAN (KCELL) COMPANY BACKGROUND

There are three main operators in the Kazakhstan telecommunication market today. Second is Vympelcom (Beeline) sharing telecommunication market with Kcell and the last one is Tele 2, which has a small market share today, but according to the world-life experience is very aggressive discounter. Kcell was established in 1998, it is affiliated with TeliaSonera, which is the largest Scandinavian telecommunications holding. OJSC "Kazakhtelekom" OJSC holds 49% of the company's interest. Currently, Kcell is the cellular operator rendering services of GSM-900/1800 standard. The mission of the company is to make cellular communication available to all citizens of Kazakhstan, generating value to the utmost extent to its subscribers and rendering services of the highest quality (GSM Kazakhstan, 2010). Since the year 2000, the company's subscriber database has exceeded one hundred thousand (100,000) while doubling by the end of the same year. Today the company's subscriber database exceeds seven (7) million. Kcell has been playing the role of the trend setter while giving tones, trends and tendency to the development of the Kazakhstani cellular market. Over a period of eleven (11) years of operation in the market, Kcell continuously expands its range of coverage by the network signal. As such we account Kcell as the major company for this type of services.

Kcell in former time aggressively concentrated on increasing its subscriber base while having 50% or market share. But when mobile connection penetration in Kazakhstan reached 100% at the end 2008 (PROFIT, 2011) the amount of subscribers and market share was not so informative to describe company performance. There are other standard telecommunication key performance indicators (KPIs) that characterized the amount of subscribers (active or registered), usage (Minutes of Usage, Airtime…), revenue (Average Revenue per Unit, Average Revenue per Minute…), coverage (area covered), finance (EBITDA, Revenue and other financial reports), marketing and other parameters. These indicators are helpful in defining the current company’s position and situation with the business (Consultant Value Added, 2010).

Targets for each department within the company is established in standardized KPIs related to its functionality, then on a regular basis performance of each employee or staff member is also evaluated.

To identify the definition and to find the exact measures of performance is out of the current research scope. Therefore, we will accept performance notion as a combination of key performance indicators (KPIs) which are internal measures of the company driving customer relation staff of Kcell and used in thesis’ questionnaire (Appendix C).
Kcell measures client satisfaction by questioning customers through the short message service (SMS) after each visit or call to the subscription office (SMS Survey). Secondly, an important KPI of client satisfaction is the Mystery Shopping process (MSH) and third is an internal audit of the service processes. Correction measures are taken in the view of learning or updating materials or conduct changes of ineffective routine processes. These measures proved their own effectiveness through improved SMS survey rate, MSH KPIs and internal audits results.

There are three operational instruments or sections in the company which is responsible for learning, the first is the Human Relations Department (HRD) Management and Organizational Development section which is responsible for planning overall training activities in the company; the Second is Kcell’s Business School – informal group consisting of volunteers from managerial and expert positions who are conducting soft skills trainings (like Presentation skills or Problem solving and etc.) for employees controlled by HRD. Thirdly, there is the Customer Relations Department professional Development team which is created explicitly for the Customer Relation staff which currently works with dealers as per the requirements of other department’s staff.

All the above mentioned structures perform their activities based on requirements for training, learning, or employee development. They provide the following options:

- Employee requirements (individual choice)
- Profession\skills improvement necessity (best identification for standardized profession like finance\accounting or technological like engineer)
- Process changes \ innovations

Results of the training work conducted by the company was not measured in the context of the overall company performance, but as it was mentioned above there were certain KPIs which were perfectly improved after the learning activity. Some of the improved KPIs were service quality, internal audit results and other soft skills.