

The Role of Organizational Forgetting and Organizational Culture on Organizational Learning in Electro Industry

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ABSTRACT

Electro companies in Indonesia need organizational learning to be able to adapt to changes. The purpose of this study was to determine the influence of forgetting organizations and organizational culture on organizational learning for employees in the electro companies. This study used 205 employees at electro companies in Indonesia. The results show that organization forgetting has a significant and positive effect on organizational learning. Organizational culture also has a significant and positive effect on organizational learning. The implication of this study are expected that electro companies in Indonesia are able to create organizational learning by giving attention to organizational forgetting because it has the higher impact and has become an interesting phenomenon.

Keywords: Organizational Forgetting, Organizational Culture, Organizational Learning

1. INTRODUCTION

Electro manufacturing industry in Indonesia continues to experience growth, especially with the existence of several projects and development in every region in Indonesia. The development by the government was carried out by the state company PT Perusahaan Listrik Negara (PLN), but in the process PT PLN still needed several partner companies to act as suppliers such as the electro manufacturing company.

In facing the demand for electrical equipment, electro companies require human resources who are able to pay attention to changes and technological developments to continue to innovate. Fast and responsive action is needed so that there will be new innovations that are not only in the form of products or services but also from an action or effort to solve problems on the job. After conducting interviews with a number of company leaders of electro companies, it can be concluded that some problems related to human resources are related to the lack of interest of employees to be able to continue to expand their abilities and continue to learn, so that the company is able to adapt and develop new product innovations. Senge (1990) in Budiharjo (2011) defines Organization learning as an organization where people continue to expand their abilities and continue to learn.

Some things a company can do to improve organizational learning is to have a culture that directs its members to be able to learn and expand abilities. Yu, Zhang, & Shen (2017) say if organizational culture is centered on learning and its structure is such that the actors in the organization can transmit knowledge, then human resources can be more likely to feel empowered to learn. It is important for companies to build the right environment to create and renovating his knowledge to be in line with innovation. Knowledge-oriented culture challenges people to share knowledge throughout the organization. An organization can promote and strengthen an environment that allows learning, through its organizational culture. This shows that the culture adopted by the organization is one of the important factors for organizational learning that occurs within the company.

In addition to organizational culture, organizational forgetting is also always associated with organizational learning. Because some researchers believe that forgetting (Organizational Forgetting) is a necessary condition for organizational learning (Organizational Learning) (Sorizehi, Kamalipur, Qhalandarzeheh, & Rigi, 2014). This can happen because if the company wants to learn something new, often it is different or even starts with the old thing, so that a change is needed by leaving the old way. Research conducted by Sorizehi, Kamalipur, Qhalandarzeheh and Rigi (2014) says that there is a positive relationship between organizational forgetting and organizational learning.

Some literature defines Organizational Forgetting as a process of learning change and relearning in memory, organization, a process of releasing deliberate processes and a process of reconstruction of several parts of the organization (Sadeghian, et al., 2012). Therefore,

forgetting is an important tool for completing organizational learning that is managed successfully applying it to shape organizational knowledge (Moshbeki, et al., 2012).

2. LITERATURE REVIEW

2.1 Organizational Learning

Organization learning is a group of people who have intentionally coordinated goals and "experts" in organizational learning. Marquardt in Budihardjo (2017) defines learning organization is an institution that learns strongly and collectively, continuously changing itself to better manage and use knowledge for company success, empowering people inside and outside the organization, to learn when they work and utilizing technology to maximize learning and production. Organizational learning according to some experts in general can be equated with learning organizations (learning organization). According to Kezar in Budihardjo (2017) learning organizations place more emphasis on external threats as a reason for learning to be done, while organizational learning focuses more on internal problems to achieve targeted organizational performance. While the learning organization according to Argyris in Budihardjo (2017) is the organization's ability to learn both adaptively and generatively through knowledge management, in order to be able to survive and develop. Through the creation and offering of innovative products the company is able to compete and win the competition.

Organization learning is a process used by leaders to increase the desires and abilities of organizational members to understand and manage the organization and its environment so that they make decisions that continuously improve organizational effectiveness (Jones, 2013). Meanwhile, according to Jimenez and Sanz (2011), organizational learning is the process by which a company develops new knowledge and insights from the general experiences of people in the organization, and has the potential to influence behavior and enhance the ability of the company.

2.2 Organizational Culture Culture

Kreitner and Kinicki (2014) define organizational culture is the meaning of shared and accepted assumptions, implicitly given and held by groups that determine how perceptions, thoughts about and reactions to various environments. Milkovich and Newman in Tobari (2015) say that culture is formed by individuals, because organizational culture comes from potential members, they use culture to strengthen ideas, feelings and information that are in line with generating excellence.

Ivancevich, Konopaske and Matteson (2007) say that organizational culture is what employees perceive and how that perception creates a pattern of beliefs, values, and expectations. Mondy in Moeljono (2005), defines organization culture as a system of shared values, beliefs, and habits in organizations that interact with formal structures to produce norms of behavior. Organizational culture originates from the founder of the organization itself. The founder of an organization usually has the greatest influence on the organizational culture that is applied. A strong culture shows that the main values of an organization are held and widely spread in the organizational structure. Where with a strong culture has a strong influence on the behavior of members of the organization and the intensity that arises by high behavior control.

Greenberg (2012) defines organizational culture as a framework consisting of assumptions and values held by members of the organization. In this study, organizational culture is an individual's perception that is relatively the same as a reference agreement in an organization to help all members of the company behave with dimensions of assumptions framework, values framework, belief behavioral, and reference form.

2.3 Organizational Forgetting

Organizational forgetting is the loss, voluntarily or not, of organizational knowledge that leads to changes in organizational capability due to the absence of knowledge (De Holan & Philips, 2004). Another definition of organizational forgetting is the loss of organizational knowledge that is not planned or intended (Aydin and Gormus, 2015). Organizational forgetting is defined as loss of organizational knowledge which is not planned or intentional. Easterby and Lyles in Aydin and Gormus (2015). Organizational forgetting is a consequence of a series of internal and external activities where the organization consciously and unconsciously loses organizational knowledge. Kamarehei, Safari (2015).

Meanwhile, according to Tsang & Zahra (2008) organizational forgetting is the process of removing old practices and establishing new specifications. Besides organizational forgetting can be defined as leaving routines, norms, beliefs, procedures, policies, values and methods that are out of date, while obtaining and assimilating new ones to adapt to changing environments (Huang, Chen, Zhang and Ye, 2017). In this study organizational forgetting is defined as an individual's view of a positive consequence that occurs with changes in the company that occur due to loss of knowledge with dimensions of intentional loss of knowledge, unintentional loss of knowledge, changes. It is generally believed that certain routines within the organization, values, policies and strategies will prevent the organization from gaining and absorbing new knowledge, so Organizational Learning cannot occur if there is no Organizational Forgetting (Lei, Slocum and Pitts, 1999).

3. RESEARCH METHODOLOGY

3.1 Data

The data used in this study are primary data through questionnaires distributed to 205 employee's electro companies in Indonesia.

3.2 Population and Sampling

The population used was 420 employees of electro companies in Indonesia. Using slovin technique the sample used was 205.

3.3 Analytical Technique

This research is a quantitative research, which means looking for a causal relationship between variables with organizational culture and organizational forgetting variables as independent variables and organizational learning variables as the dependent variable. The analytical method in this study is multiple regression analysis

4. RESULT AND DISCUSSION

4.1 Hypothesis Testing

This study tested 3 hypotheses, the first hypothesis and the second hypothesis partially (t test) while hypothesis 3 simultaneously (f test).

Table 1 Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.459	.293		1.565	.119
	X1	.291	.055	.314	5.327	.000
	X2	.459	.053	.515	8.729	.000

a. Dependent Variable: Y

The first hypothesis regarding the effect of organizational culture is significant on organizational learning, while the second hypothesis is about the effect of organizational forgetting that is significant on organizational learning. The results of the second hypothesis test are shown in Table 1 which shows that the first hypothesis is accepted that there is a significant influence of organizational culture on organizational learning because it has a significance value of 0.00 and is below the error rate of 0.05 with a magnitude of influence of 0.314. Likewise with the second hypothesis regarding organizational forgetting which is significant towards organizational learning, this hypothesis is accepted because the significance level is 0.00 with a large effect of 0.515.

Table 2 ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	42.055	2	21.028	56.057	.000 ^b
	Residual	66.395	177	.375		
	Total	108.450	179			

a. Dependent Variable: Y

b. Predictors: (Constant), X2, X1

Table 3 Model Summary

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.623 ^a	.388	.381		.61246

a. Predictors: (Constant), X2, X1

b. Dependent Variable: Y

In addition, an f-test was also conducted to determine whether organizational culture and organizational forgetting can simultaneously influence organizational learning. The test results in table 2 show that the significance value is 0.00 which means that organizational culture and organizational forgetting can simultaneously influence organizational learning. The amount of influence given by organizational culture and organizational forgetting on organizational learning is 0.388 (table 3).

4.2 Discussion

This study shows that organizational culture and organizational forgetting have an influence on organizational learning at PT Nurinda and PT Pramesta Baja Utama. Organizational forgetting has a greater effect on organizational learning compared to the influence of organizational culture on organizational learning. This research is also in line with the statement of Lei, Slocum & Pitts (1999) which says that Organizational Learning cannot occur if there is no Organizational Forgetting. Likewise, with research conducted by Janicjevic (2015) which says that organizational culture has an influence on organizational learning.

5. CONCLUSION

Organization culture is proven to be able to influence organizational learning for electro companies in Indonesia, as well as organizational forgetting is proven to be able to influence organizational learning. Organizational forgetting has a greater influence on organizational learning compared to organizational culture. Decision makers at electro companies in Indonesia are expected to be able to improve organizational forgetting while building a learning-oriented culture by setting an example or cultivating employees through training.

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