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**INVESTIGATING THE CORRELATION BETWEEN THE ORGANIZATIONAL  
LEARNING AND QUALITY OF WORK LIFE WITH INTELLECTUAL CAPITAL**

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**ABSTRACT**

The main aim of this study is to investigate the correlation between the organizational learning and quality of work life with intellectual capital in Iran Cultural Heritage, Handcrafts and Tourism Organization. The research method of this research has correlative-descriptive type. The statistical population of this study consists of all employees in Iran Cultural Heritage, Handcrafts and Tourism Organization (headquarter) in 2014 and this organization has a total of 1500 official and unofficial staff and the Morgan Table is used to determine the sample size and the sample size is determined equal to 306 by random sampling. The measurement tool includes Bontis's intellectual capital questionnaire, Walton's quality of work life questionnaire and Watkins & Marsick's learning organization questionnaire. The reliability is equal to 0.93 for intellectual capital questionnaire, 0.89 for quality of work life questionnaire, and 0.88 for learning organization questionnaire; and the total is measured equal to 0.96. The research hypotheses are examined by regression test. The obtained results indicate that there is a significant positive correlation between the organizational learning and quality of work life with intellectual capital.

**Keywords: Organizational learning, quality of work life, intellectual capital**

**INTRODUCTION**

Until the early 1950s, the lack of physical and financial capital was considered as the main cause of backwardness in developing countries. However, it is found that the infusion of large amounts of physical and

financial capital does not necessarily lead to the acceleration of growth and development in these countries. The countries, which have strong organizations and effective administrative bodies and also the efficient

and expert human capital, are able to attract their physical and financial capital more properly and apply them to accelerate the process of growth and development. In the modern economy, wealth creation and economic growth primarily of intangible assets (intellectual) stems. In modern economy, the wealth creation and economic growth are mainly originated from the intangible assets. The development of new economy emphasizes on the fact that the value creation is more dependent on the intangible assets rather than the tangible ones (physical and financial). Therefore, the intellectual capital is considered as the main source of economic development; and other traditional factors of production such as the land, labor and financial capital are put in the next rank of importance. In such circumstances, the intellectual capital is the key factor in improving the organizational performance [2].

The intellectual capital is created by the knowledge. This term is still in its development era. It was initially raised when Skandia Swedish large company began to implement a series of innovative scientific methods for special attention to its intangible assets (Edvinsson, 2007). The intellectual capital is a type of capital which is known as an intangible asset of an organization and it is claimed that it is a valuable asset in the organization (Srivihok,

2008). In the last two centuries and according to the general knowledge, only two factors, the labor and capital, are involved in the production, while the knowledge and information are known as the asset of creating the wealth and economic value in this era. Furthermore, the development of new technologies in the twentieth century has transferred a large part of value-creating physical activities to the knowledge-based dimensions.

From the perspective of numerous experts and scholars, the intellectual capital is classified into three components of human, structural and customer capital. Different factors are correlated to the intellectual capital including the organizational culture, organizational learning, social capital, firm value, formal and informal relationships, the quality of work life, etc, and two factors of organizational learning and quality of work life are investigated in this study.

From the perspective of most of the experts, the human resources are considered as the most valuable and prominent factors in achieving the organizational objectives. The proper use of human and natural resources available to the organization is one of the manifestations of a manager's success.

With regard to what is mentioned and because the empirical evidence suggests that the cultural heritage has the proper status in Iran Cultural Heritage, Handcrafts and

Tourism Organization, we have decided to investigate the correlation between the variables affecting the intellectual capital including the quality of work life and organizational learning.

## MATERIALS AND METHODS

This study has the descriptive-analytical type based on the research plan, and is applied with an emphasis on the correlation and based on the objective and type. The statistical population of this study consists of all employees in Iran Cultural Heritage, Handcrafts and Tourism Organization (headquarter) in 2014. Cochran's formula is applied to determine the sample size according to the simple random sampling. The applied tools in this study with respect to the main variables are as follows:

1. Bontis's intellectual capital questionnaire: It is designed by Bontis (2000). Bontis et al have reported the range of internal consistency (Cronbach's alpha) equal to 0.87 for the whole questionnaire and its dimensions equal to 0.85 to 0.94 which indicate the reliability of questionnaire.
2. Quality of work life questionnaire: This questionnaire is designed by Walton (1973) who has reported the general reliability coefficient of questionnaire equal to 0.88 according to Cronbach's alpha.

3. Dimension of learning organization questionnaire (DLOQ): This questionnaire is designed by Watkins & Marsick based on an integrated model of learning organization in 1996. This questionnaire is translated in Iran and validated by management specialists and thus  $\alpha=0.87$ .

## RESULTS

**Research question 1:** Is there a correlation between the organizational learning and the quality of work life with the intellectual capital in Iran Cultural Heritage, Handcrafts and Tourism Organization?

The regression is utilized to answer the research question, whether there is a correlation between the organizational learning and the quality of work life with the intellectual capital. The regression model and its equation are presented in the following table. Table 1 shows the correlation coefficient, squared correlation coefficient or coefficient of determination, so that the correlation between these variables is equal to 0.62 and at the high level. Furthermore, the coefficient of determination indicates that 62% of variance in intellectual capital as the dependent variable is covered by the organizational learning and quality of work life as the independent variables.

According to the F value equal to 240.409 and the significance level of less than 0.05, the regression model is confirmed and the organizational learning and quality of work life as the independent variables are able to predict the intellectual capital as the dependent variable (Table 2).

The correlation between the organizational learning and quality of work life with the intellectual capital is equal to 0.79, and the coefficient of determination equal to 0.62 and the regression equation is significant according to the significance level of  $F=0.00$ . More precisely, 79% of variance in intellectual capital as the dependent variable is covered by the organizational learning and quality of work life as the independent variables. The obtained beta in regression is equal to 0.55 for organizational learning variable and 0.30 for quality of work life (Table 3). The regression equation is as follows:

Intellectual capital = 0.55 (organizational learning) + 0.30 (quality of work life)

**Research question 2:** Is there a correlation between the organizational learning and the intellectual capital?

The regression is utilized to answer the research question, whether there is a correlation between the organizational learning and the intellectual capital. The regression model and its equation are presented in the following table 4.

The table 4 above shows the correlation coefficient, squared correlation coefficient or coefficient of determination, so that the correlation between these variables is equal to 0.75 and at the high level. Furthermore, the coefficient of determination indicates that 57% of variance in intellectual capital as the dependent variable is covered by the organizational learning as the independent variable.

According to the F value equal to 39243 and the significance level of less than 0.05, the regression model is confirmed and the organizational learning as the independent variable is able to predict the intellectual capital as the dependent variable (Table 5).

The correlation between the organizational learning and intellectual capital is equal to 0.75, and the coefficient of determination equal to 0.57 and the regression equation is significant according to the significance level of  $F=0.00$ . More precisely, 57% of variance in intellectual capital as the dependent variable is covered by the organizational learning as the independent variable (Table 6). The obtained beta in regression is equal to 0.75. The regression equation is as follows:

Intellectual capital = 0.75 (organizational learning)

**Research question 3:** Is there a correlation between the quality of work life and intellectual capital?

The regression is utilized to answer the research question, whether there is a correlation between the quality of work life and intellectual capital. The regression model and its equation are presented in the following table.

The table 7 shows the correlation coefficient, squared correlation coefficient. According to the F value equal to 253.37 and the significance level of less than 0.05, the regression model is confirmed and the correlation between the quality of work life and the intellectual capital is equal to 0.68, and the coefficient of determination equal to 0.46 and the regression equation is significant according to the significance level of  $F=0.00$ . More precisely, 45% of variance in intellectual capital as the dependent variable is covered by the quality of work life as the independent variable (Table 9). The obtained beta in regression is equal to 0.678. The regression equation is as follows:

**Intellectual capital = 0.678 (quality of work life)**

**Table 1: Summary of regression model for the correlation between the organizational learning and the quality of work life with intellectual capital**

Correlation coefficient	Square of correlation coefficient	Square of adjusted correlation coefficient	Standard error of approximation
0.79	0.62	0.62	0.25

**Table (2): Analysis of Variance**

Model	Sum of squares	Degree of freedom	Mean square	F	Significance level
Regression	29.38	2	14.69	240.409	0.000
Residual	18.15	299	0.06		
Sum	47.53	299			

**Table (3): The coefficients of independent variables in terms of standardized and non-standardized values**

	Non-standardized coefficients		Standardized coefficients	t	Significance level
	B	Standard error	Beta		
Constant value	0.612	0.13		4.84	0.000

or coefficient of determination, so that the correlation between these variables is equal to 0.68 and at the high level. Furthermore, the coefficient of determination indicates that 46% of variance in intellectual capital as the dependent variable is covered by the quality of work life as the independent variable.

quality of work life as the independent variable is able to predict the intellectual capital as the dependent variable (Table 8).

**Research Question 4:** What is the appropriate model for intellectual capital based on the organizational learning and quality of work life?

According to the results of previous questions and with regard to the obtained beta coefficients for two variables, the organizational learning and quality of work life, the appropriate model of intellectual capital for these two variables can be drawn as follows (**Figure 1**):

Organizational learning	0.563	0.05	0.55	11.11	0.000
Quality of work life	0.286	0.05	0.30	6.22	0.000

Table 4: Summary of regression model for the correlation between the organizational learning and the intellectual capital

Correlation coefficient	Square of correlation coefficient	Square of adjusted correlation coefficient	Standard error of approximation
0.75	0.57	0.57	0.26

Table (5): Analysis of variance

Model	Sum of squares	Degree of freedom	Mean square	F	Significance level
Regression	27.01	2	27.01	392.43	0.000
Residual	20.51	298	0.07		
Sum	47.53	299			

Table (6): The coefficients of independent variables in terms of standardized and non-standardized values

	Non-standardized coefficients		Standardized coefficients	t	Significance level
	B	Standard error	Beta		
Constant value	0.88	0.13		6.95	0.000
Organizational learning	0.78	0.04	0.75	19.81	0.000

Table 7: Summary of regression model for the correlation between the quality of work life and intellectual capital

Correlation coefficient	Square of correlation coefficient	Square of adjusted correlation coefficient	Standard error of approximation
0.678	0.460	0.458	0.293

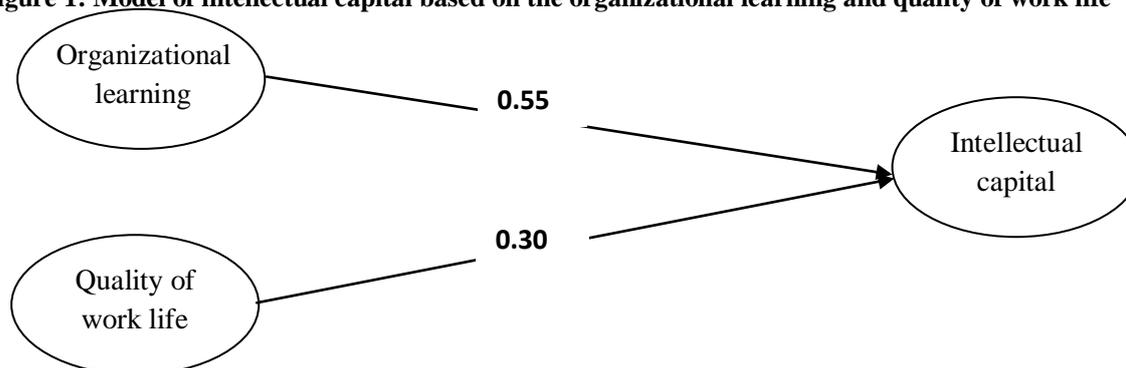
Table (8): Analysis of Variance

Model	Sum of squares	Degree of freedom	Mean square	F	Significance level
Regression	21.84	2	21.84	253.37	0.000
Residual	25.68	298	0.086		
Sum	47.53	299			

Table (9): The coefficients of independent variables in terms of standardized and non-standardized values

	Non-standardized coefficients		Standardized coefficients	t	Significance level
	B	Standard error	Beta		
Constant value	1.246	0.134		9.311	0.000
Quality of work life	0.634	0.040	0.678	15.918	0.000

Figure 1: Model of intellectual capital based on the organizational learning and quality of work life



**CONCLUSION**

The results of Spearman correlation test in this research have confirmed the correlation and significance of each component,

"organizational learning", "employees' quality of work life" and the "intellectual capital". Furthermore, the results of

regression test between these variables have confirmed the impact of organizational learning on the quality of work life and intellectual capital as well as the impact of quality of work life on the intellectual capital. Finally, the path analysis test has also approved the model of correlation between the organizational learning and quality of work life with intellectual capital. The research findings in the fourth chapter about the role of organizational learning and quality of work life on the intellectual capital have led to the following results:

The findings about the impact of organizational learning on the intellectual capital indicate that there is a significant positive correlation between the organizational learning and intellectual capital. According to the explanation of this finding, the management of spiritual and knowledge resources helps the organizations to be equipped with an important and efficient competitive advantage in today's turbulent and challenging environment, and this organizational learning will empowered the intellectual capital. The findings of this study also confirm that the management is based on the organizational learning in Iran Cultural Heritage, Handcrafts and Tourism Organization. In general, these results indicate that learning has a direct and positive impact on the intellectual capital and this finding is consistent with a part of

studies by Yari (2008), and Nazem and Matlabi (2011). According to the interpretation of this study, the more the intellectual capital is increase in employees, the more the ability to identify the problems in interaction with environment and focus on the surrounding problems are enhanced and this allows them to solve the problems by applying the maximum power and without any delay and also make the maximum use the even with the least facilities. In other words, the increased organizational learning will enhance the self-awareness and creativity in intellectual capital; and the organizational learning is one of the factors influencing the intellectual capital[3].

Furthermore, these results are consistent with the research by Amiri (2009). According to their results, the organizational learning has a positive effect on the intellectual capital of organizations. Furthermore, the individual learning has a positive impact on the human capital, the group learning affects the interface capital (customer), and the organizational learning has an impact on the structural capital, and this is exactly consistent with the results of this research.

There is a significant positive correlation between the quality of work life and intellectual capital as mentioned in the fourth chapter. Therefore, it can be

concluded that the quality of work life is a key issue in Iran Cultural Heritage, Handcrafts and Tourism Organization. Irannejad Parizi et al (2000) have argued that the quality of work life is one of the most important issues in management of human resources in organizations. According to the vase depth in the last two decades, this concept has affected the employees' all work issues including the workplace conditions, management conditions, and the way of service compensation, etc [4], This finding is consistent with the research by Ballou and Godwin (2007). They believe that supporting the quality of work life helps the organizations to develop an "intellectual capital base" and this increases the stock price of company. Such these measures will lead to the employees' motivation and ultimately increase the firm value by enhancing the productivity [1], Therefore, the identification, assessment and management of intellectual capital, on the one hand, and the supervising the human resources, providing the high quality work and non-work life for them, on the other hand, can be very important and provide the basis for survival and development of organizations and their entry to modern and competitive knowledge era.

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