# INTRODUCTION OF LEARNING ORGANIZATION TO AN IT COMPANY TO IMPROVE THE EMPLOYEE PERFORMANCE

(Case – SAP Consulting firms in Sri Lanka)

Sriskanthayogasingha Lakshigan

169116M

Degree of Master of Business Administration in Information Technology

Department of Computer Science and Engineering

University of Moratuwa

Sri Lanka

March 2018

#### **DECLARATION**

I declare that this is my own work and this thesis does not incorporate without acknowledgement any material previously submitted for a Degree or Diploma in any other University or institute of higher learning and to the best of my knowledge and belief it does not contain any material previously published or written by another person except where the acknowledgement is made in the text.

Also, I hereby grant to University of Moratuwa the non-exclusive right to reproduce and distribute my thesis/dissertation, in whole or in part in print, electronic or other medium. I retain the right to use this content in whole or part in future works (such as articles or books). S.Lakshigan (Signature of the candidate) Date: The above candidate has carried out research for the Masters thesis under my supervision. ...... Dr. Amal Shehan Perera Date Signature of the Supervisor (Co-supervisor Name) Date

Signature of the Co-Supervisor

# COPYRIGHT STATEMENT

I hereby grant the University of Moratuwa the right to archive and to make available my thesis or dissertation
in whole or part in the University Libraries in all forms of media, subject to the provisions of the current
copyright act of Sri Lanka. I retain all proprietary rights, such as patent rights. I also retain the right to use in
future works (such as articles or books) all or part of this thesis or dissertation.

-----

#### **ABSTRACT**

The purpose of this research study is to discover the factors which affect the employee performance in the SAP consulting firms of Sri Lanka and provide best practices and recommendations via introducing the learning organization concept.

This study is mainly developed based on face to face interviews conducted from eight SAP consultants across three different firms. Interview questions are drafted based on the variables derived from the literature reviews which are: Communication, Team, Support and Recognition, Training, Skills, Performance and Capability. An empirical qualitative analysis is used as a research approach and Grounded Theory technique is used to conduct the in-depth analysis of interview responses.

This research study discovered four main factors; Communication, Team, Training and Performance as the most contributing factors which affects the employee performance in Sri Lankan SAP consulting firms. The detailed issues that influence each main factor were elaborated throughout the study. Major findings of the research were employee's career path is not aligned with the organization roadmap, poor consultancy skills led the competitor overtake the business and technology advancement has a potential impact on employee skills and performance.

Based on the analysis of literature review and data collection, a seven-step process was derived as a best practice to improve the employee performance. Those steps are: top management commitment, build a committed team, develop a learning organization, measuring and managing employee performance, design a future-ready organization and maintain high employee morale.

**Keywords** SAP, Learning organization, Literature review, Grounded Theory, future-ready organization, Employee morale

#### **ACKNOWLEDGEMENT**

I place this opportunity to express my sincere gratitude for all those who helped me in numerous ways to make this research study success. First and foremost, I am deeply grateful to my supervisor Dr. Amal Shehan Perera for his continuous support, feedback and outstanding guidance is given to me throughout the research.

I would like to extend my sincere thanks to Dr. Chandana D. Gamage (Course Coordinating Lecturer, Department of Computer Science and Engineering) and Ms. Jeeva Padmini who have provided me with continuous feedback and encouragements in-order to complete a research successfully.

I convey my thankfulness to all my lecturer panel at the Department of Computer Science and Engineering, The University of Moratuwa for their guidance and would also express my sincere appreciation to office staff at the University of Moratuwa for the services provided.

I am extremely grateful to anonymous participants who helped me with data gathering by sharing their valuable experience, most useful views and opinions. This report would not have been possible without their valuable information, time and effort.

I express my gratitude to all my friends and MBA friends specially Amalan Dananjayan, Prashanya Shivashankar, Gopikrishnan Thavarajah for their advises, motivation and for always been around to support which I felt inspiring while carrying out the research.

Last but not least my special thanks go to my loving wife, father, mother and my sister for their immense support, love, care, encouragement, and patience throughout all these years and also for reviewing my thesis and providing me with valuable feedback in order to successfully complete this thesis.

# TABLE OF CONTENTS

DECLARATION	1
COPYRIGHT STATEMENT	2
Abstract	3
ACKNOWLEDGEMENT	4
TABLE OF CONTENTS	5
List of Figures	7
LIST OF TABLES	8
LIST OF ABBREVIATIONS	9
1. INTRODUCTION	10
1.1 Background	10
1.1.1 Motivation	11
1.1.2 Research Scope	11
1.2 Problem Statement	11
1.2.1 Research Objectives	
1.2.2 Research Significance	
1.2.3 Outline	
2. LITERATURE REVIEW	14
2.1 Introduction	14
2.2 ERP (SAP) consulting Skills	
2.3 Learning Organization	
2.3.1 Definition	
2.3.2 Characteristic of a learning organization	
2.4 Employee Performance	21
2.4.1 The Performance System	22
2.5 Challenges in implementing a Learning Organization	23
2.6 Building a Learning Organization	23
3. RESEARCH METHODOLOGY	25
3.1 Introduction	25
3.2 Conceptual framework (Research Design)	25
3.3 Methodological Approach	27
3.4 Research Method	27
3.5 Sample of the study	29

3	.5.1	Interviewed Personals	30
3.6	Da	ta Collection Technique	31
3	.6.1	Interview Question	32
3.7	Ch	apter Summary	35
4. DA	TA A	NALYSIS	36
4.1	Int	roduction	36
4.2	Da	ta Analysis Strategy	36
4.3	De	tailed Analysis	39
4	.3.1	Analysis of each parent factor which affects Employee performance	40
4	.3.2	Parent Factors Analysis which affects Employee Performance	51
4	.3.3	Main Factors for Success/Failure to Improve Employee Performance	52
4	.3.4	Findings from each employees' performance impact analysis	53
4	.3.5	Suggested Recommendations to overcome issues	54
4.4	Ch	apter summary	57
5. RE	COM	MENDATIONS AND CONCLUSION	58
5.1	Co	nclusion	58
5.2	Re	commendations	61
5.3	Lir	nitation	63
5.4	Di	rections to future research	63
REFE	RENC	CES	64
APPE	NDIX	A: FACE TO FACE INTERVIEW QUESTIONS	66
ΔPPF	'NDIX	B. INTERVIEW RESPONSED AND NOTES	69

## LIST OF FIGURES

Figure 2.1: Five Characteristics of a learning organization	17
Figure 2.2: The performance System	22
Figure 2.3: Four elements of Organizational Learning	
Figure 3.1: Key Steps in grounded theory research design	28
Figure 3.2 Companies where SAP Consultants are working	
Figure 4.1: Coding results of "Communication" Factor	40
Figure 4.2: Percentage results of Communication factor	41
Figure 4.3: Coding results of "Team" Factor	
Figure 4.4: Percentage results of the team factor	43
Figure 4.5: Coding results of "Support and recognition" Factor	43
Figure 4.6: Percentage results of Support and Recognition factor	44
Figure 4.7: Coding results of "Capability" Factor	45
Figure 4.8: Percentage results of Capability factor	46
Figure 4.9: Coding results of "Training" Factor	47
Figure 4.10: Percentage results of Training factor	48
Figure 4.11: Coding results of "Skills" Factor	48
Figure 4.12: Coding results of "Performance" Factor	49
Figure 4.13: Percentage results of "Performance" Factor	50
Figure 4.14: Parental factor analysis	51
Figure 4.15: Example of Analyzing main factors for Success/Failure to Improve Employee Performance	ce
	52

# LIST OF TABLES

Table 3.1: Dimension of independent and Dependent Variables	26
Table 4.1: Code system of the research study	36
Table 4.2: Scale	39
Table 4.3: Main Factors for Success/Failure to Improve Employee Performance	53
Table 5.1: Identified Factors	60

### LIST OF ABBREVIATIONS

Abbreviation	Description
--------------	-------------

IT Information Technology

ERP Enterprise Resource Planning

LO Learning Organization

SAP an ERP Product

SAGE an ERP Product

ABAP Advance Business Analytical Programming - language that is used to do

developments in SAP

BI Business Intelligence

R&D Research and Development