

Towards Organisational Learning: The Role of Experiential Learning and Transfer of Learning in the Development of Learning Organizations

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Abstract

This study investigates the interplay between Organisational Learning (OL), Experiential Learning (EL), and Transfer of Learning (ToL) in shaping the development of Learning Organisations (LO). Drawing on a cross-sectional survey of 470 professionals across diverse Indian organisations, Partial Least Squares Structural Equation Modelling (PLS-SEM) was used to assess direct, mediating, and moderating relationships among the constructs. Results confirmed a strong direct effect of OL on LO and identified EL as a significant partial mediator. Contrary to expectations, ToL did not moderate the OL–LO relationship but showed a significant independent effect on LO. These findings highlight the importance of embedding experiential mechanisms and transfer-enhancing environments to foster sustainable learning cultures. The study contributes to the refinement of learning organisation theory and offers practical strategies for training effectiveness and organisational adaptability.

Keywords: Organisational Learning (OL); Experiential Learning (EL); Transfer of Learning (ToL); Learning Organisation (LO); Mediation; Moderation.

1. Introduction

In an increasingly dynamic and complex organisational environment, the ability to learn continuously and adapt proactively has become a cornerstone of sustainable growth and institutional resilience (Mosteanu, 2024). Organisations today are not merely repositories of knowledge or centers of production; they are evolving systems that must learn, unlearn, and relearn to remain competitive and relevant (Ra, Shrestha, Khatiwada, Yoon, & Kwon, 2019). In this context, the Learning Organisation (LO) concept has gained significant traction. Coined and popularised by Peter Senge (1990), a Learning Organisation facilitates the learning of all its members and continuously transforms itself in response to internal and external challenges.

At the heart of a Learning Organisation (LO) lies the process of Organisational Learning (OL); a systematic effort to acquire, interpret, and retain knowledge that enhances organisational functioning (Stewart, 2001). OL lays the foundation for organisational adaptability by embedding learning into policies, procedures, and collective memory. However, learning is not confined to structures or knowledge systems alone (Namada, 2018). The actual process of learning within individuals and teams, especially through practical engagement and reflection, is equally crucial (Helyer, 2015). This brings into focus the role of Experiential Learning (EL), which enables individuals within an organisation to learn from real-world actions, interactions, and feedback loops.

Equally important is the question of whether and how this learning is applied. Not all that is learned is automatically transferred into practice. Research says that the concept of Transfer of Learning (ToL) addresses this critical link; it refers to the ability of individuals and organisations to apply acquired knowledge, skills, and attitudes in new or work-related contexts. Without effective transfer, learning remains an isolated event rather than becoming a lever for transformation (Macaulay & Cree, 2007).

This study, therefore, investigates these three interconnected constructs, Organisational Learning, Experiential

Learning, and Transfer of Learning, and their collective impact on the development of a Learning Organisation. It does so by addressing two central research questions:

1. Does Experiential Learning mediate the relationship between Organisational Learning and the development of a Learning Organisation?
2. Does Transfer of Learning moderate the relationship between Organisational Learning and the development of a Learning Organisation?

Through a comprehensive empirical investigation using Structural Equation Modeling (SmartPLS), the study not only examines these relationships but also offers practical insights into how organisations, particularly in the Indian public sector context, can strategically strengthen their learning capacities. By doing so, it contributes to the ongoing discourse on organisational learning and development, offering both theoretical depth and actionable direction.

2. Methodology

To investigate the interrelationships among Organisational Learning (OL), Experiential Learning (EL), Transfer of Learning (ToL), and the emergence of Learning Organisations (LO), a structured and methodologically sound research design was adopted. This section outlines the methodological choices made to ensure internal validity, contextual relevance, and analytical robustness. The research design combined established theoretical foundations with practical field-based insights, supported by rigorous measurement, diverse sampling, and advanced analytical techniques. A sequential approach, ranging from tool development and pilot validation to data collection and structural modelling, ensured the credibility and generalisability of the findings.

2.1 Research Design and Sample

This study employed a quantitative, cross-sectional survey design aimed at capturing a comprehensive snapshot of learning dynamics across Indian organisations. A cross-sectional design was particularly appropriate for this study's objectives, as it allowed for the simultaneous measurement of perceptions regarding learning-related processes at a given point in time (Maier, Thatcher, Grover, & Dwivedi).

A total of 470 respondents participated, representing diverse sectors such as public institutions, private corporations, education, finance, and information technology. This stratified organisational mix enabled the exploration of learning-related variables across a broad spectrum of structural and cultural contexts. The sample consisted mainly of mid-career professionals, particularly those in middle-management roles, who are generally well-positioned to reflect on both strategic learning processes and their operational implications.

Most respondents had undergone formal organisational training within the previous 6 to 12 months, making them well-suited to assess the role of experience and transfer in organisational learning. Their responses were therefore grounded in recent and relevant learning episodes.

Data were collected through a structured questionnaire, incorporating items adapted from validated scales. Responses were measured using a 5-point Likert scale ranging from "Strongly Disagree" to "Strongly Agree." Before the full-scale administration, the instrument was pilot-tested and reviewed by experts to ensure clarity, contextual fit, and content validity.

2.2 Instruments and Measures

Each construct was measured using multi-item, validated scales, selected and adapted for the Indian organisational context:

- Organisational Learning (OL) was measured through eight items capturing dimensions such as reflective practice, shared vision, openness, and collaboration. (Argyris & Schön, 1978)
- Experiential Learning (EL) was assessed using four items, aligned with Kolb's (1984) learning cycle, focusing on workplace-based learning, real-time reflection, and the application of experience. (Kolb, 1984)

- Transfer of Learning (ToL), being inherently multidimensional, was measured using a 16-item scale developed by the author. It assessed both near and far transfer, including behavioural application, supervisor support, adaptability, and contextual reinforcements. (Thorndike & Woodworth, 1901)

- Learning Organisation (LO) was assessed through 14 items, primarily drawn from Senge’s (1990) five disciplines,- shared vision, systems thinking, personal mastery, team learning, and mental models. (Senge, 1990)

Psychometric evaluation revealed strong reliability across all scales. Cronbach’s Alpha and Composite Reliability (CR) values exceeded the recommended 0.70 threshold. Convergent validity was established via Average Variance Extracted (AVE), with all constructs surpassing the 0.50 criterion. Exploratory Factor Analysis (EFA) was performed to confirm the unidimensional structure of OL, EL, and LO. The ToL construct displayed a two-factor structure, representing its inherent complexity and multidimensionality.

These strong measurement properties validated the use of Structural Equation Modeling (SEM) for deeper analysis. A summary of the measurement instruments is presented below.

Table 2.1: Overview of Constructs, Number of Items, and Source Instruments

Construct	No. of Items	Sample Term	Source	Initial α
Organisational Learning (OL)	8	“...we regularly reflect on past work...”	Argyris & Schön (1978)	0.89
Experiential Learning (EL)	4	“...I apply what I learn at work...”	Kolb (1984)	0.81
Transfer of Learning (ToL)	16	“...I can use training in my tasks...”	Thorndike & Woodworth (1901)	0.91
Learning Organisation (LO)	14	“...we learn from our mistakes...”	Senge (1990) and Others	0.94

2.3 Analytical Techniques

To examine the hypothesised relationships among Organisational Learning (OL), Experiential Learning (EL), Transfer of Learning (ToL), and the development of Learning Organisations (LO), the study employed Partial Least Squares Structural Equation Modeling (PLS-SEM) using SmartPLS 4 software. This technique was selected for its suitability in handling complex, multi-construct models and its ability to work effectively with small-to-moderate sample sizes, making it particularly appropriate for exploratory and theory-building research contexts.

PLS-SEM enables simultaneous assessment of both the measurement model (how well the observed variables measure their respective constructs) and the structural model (how well the constructs are related to one another). This dual capability makes it ideal for research involving latent variables measured through multiple indicators, as was the case in this study. (Hair, et al., 2021)

The analytical framework was structured around three central models:

- **Direct Effects Model:** Examined the direct impact of Organisational Learning (OL) on Learning Organisation (LO) to establish a foundational understanding of whether learning practices at the organisational level contribute to the development of learning-oriented organisational culture and systems.
- **Mediation Model:** Tested whether Experiential Learning (EL) acts as a mediator in the OL → LO relationship. This model sought to unpack the internal learning processes through which OL translates into LO by evaluating if EL serves as a transmission mechanism that carries the influence of OL forward.

- **Moderation Model:** Investigated the moderating role of Transfer of Learning (ToL) in the relationship between OL and LO. The product-indicator approach was adopted to create an interaction term ($OL \times ToL$), allowing the model to assess whether the strength or direction of the $OL \rightarrow LO$ relationship varies across different levels of ToL.

To ensure the statistical significance of the estimated path coefficients, the bootstrapping procedure with 5,000 resamples was employed. This non-parametric resampling method generates confidence intervals and robust standard errors, making it a reliable technique for hypothesis testing in SEM frameworks.

For evaluating the discriminant validity of the constructs, two complementary techniques were used:

- The Fornell-Larcker criterion, which ensures that each construct shares more variance with its indicators than with other constructs. (Fornell & Larcker, 1981)
- The Heterotrait-Monotrait ratio of correlations (HTMT), a more stringent and contemporary method that flags discriminant validity issues through cross-construct comparisons. Thresholds of 0.85 and 0.90 were considered for strict and liberal cut-offs, respectively. (Henseler, Ringle, & Sarstedt, 2015)

Multicollinearity was also assessed before structural modeling by checking Variance Inflation Factors (VIF) for all predictor variables. All values fell well below the conservative threshold of 5.0, indicating that multicollinearity was not a concern in the model.

Overall, this multi-step and multi-method approach ensured the robustness and validity of both measurement and structural components of the model, allowing for confident interpretation of the findings across direct, mediated, and moderated pathways. This analytical strategy provided a rigorous empirical foundation for addressing the study's core research questions and hypotheses.

3. Results

This section presents the empirical outcomes of the study, derived through Partial Least Squares Structural Equation Modeling (PLS-SEM) using SmartPLS 4. The analytical strategy followed a two-step approach. First, the measurement model was assessed to establish the psychometric soundness of the constructs used in the study. This included tests for internal consistency, convergent validity, and discriminant validity using established statistical criteria. Upon confirming the adequacy of the measurement model, the structural model was evaluated to test the hypothesised relationships among the study variables. This involved assessing direct effects (e.g., Organisational Learning on Learning Organisation), mediating effects (via Experiential Learning), and moderating effects (through Transfer of Learning). Bootstrapping with 5,000 resamples was used to estimate the statistical significance of the structural paths. The results are structured to reflect the sequence of hypothesis testing. Each subsection below details the relevant analyses—beginning with measurement properties and followed by structural estimates, thereby offering comprehensive insights into how OL, EL, and ToL contribute to the development of Learning Organisations across varied organisational settings.

3.1 Measurement Model

Before evaluating the structural relationships between the constructs, the measurement model was examined to ensure the validity and reliability of the scales employed. This step was critical to confirm that the observed indicators accurately and consistently reflected the underlying latent variables.

Internal consistency reliability was first assessed using Cronbach's Alpha. The results were strong across all constructs: Organisational Learning (OL) scored 0.894, Experiential Learning (EL) scored 0.766, Transfer of Learning (ToL) scored 0.942, and Learning Organisation (LO) achieved the highest reliability at 0.951. All values surpassed the widely accepted threshold of 0.70 (Nunnally & Bernstein, 1994), indicating a high level of internal consistency among the items measuring each construct.

Further support for reliability was provided by Composite Reliability (CR) scores, which reflect the shared

variance among observed variables in each construct. The CR values were also robust, 0.915 for OL, 0.852 for EL, 0.949 for ToL, and 0.957 for LO, highlighting that the indicators consistently captured their respective latent dimensions. (Haji-Othman & Yusuff, 2022)

To evaluate convergent validity, the Average Variance Extracted (AVE) was examined. Each construct exceeded the minimum recommended threshold of 0.50 (Fornell & Larcker, 1981), confirming that more than half of the variance in observed items was explained by the underlying latent constructs. The AVE values were as follows: OL = 0.574, EL = 0.592, ToL = 0.539, and LO = 0.612.

Exploratory Factor Analysis (EFA) further validated the measurement structure. A single dominant factor emerged for OL, EL, and LO, confirming the unidimensionality of these constructs. However, ToL revealed a two-factor structure, suggesting that it encapsulates multiple dimensions of the learning transfer process, potentially including behavioural application and contextual adaptation. These two latent factors were retained in the structural model to ensure analytical depth and conceptual fidelity.

Together, these results confirm that the measurement model possesses strong psychometric properties, justifying its use in the subsequent structural equation modeling. The summary of reliability and convergent validity statistics is presented in Table 3.1.

Table 3.1: Reliability and Convergent Validity of Constructs

Construct	Cronbach's Alpha	Composite Reliability	AVE
Organisational Learning	0.894	0.915	0.574
Experiential Learning	0.766	0.852	0.592
Transfer of Learning	0.942	0.949	0.539
Learning Organisation	0.951	0.957	0.612

3.2 Structural Model and Hypothesis Testing

To evaluate the hypothesised relationships among Organisational Learning (OL), Experiential Learning (EL), Transfer of Learning (ToL), and the development of a Learning Organisation (LO), the structural model was assessed using Partial Least Squares Structural Equation Modeling (PLS-SEM) in SmartPLS 4. This stage of analysis was guided by three hypotheses:

(1) the direct effect of OL on LO, (2) the mediating effect of EL in the OL → LO relationship, and (3) the moderating effect of ToL on the same relationship. The evaluation relied on bootstrapping with 5,000 samples to ensure the robustness and statistical significance of the path coefficients.

Hypothesis 1 proposed that Organisational Learning exerts a significant and positive influence on the development of a Learning Organisation. The results strongly supported this proposition. The standardised path coefficient for the OL → LO relationship was $\beta = 0.914$, with a t-value of 49.140 and a p-value less than 0.001, indicating an extremely robust and statistically significant association. This finding underscores the critical role of Organisational Learning processes, such as team reflection, shared decision-making, and knowledge dissemination, in shaping the essential features of a learning organisation. When OL is embedded in organisational culture and strategy, it facilitates greater adaptability, continuous improvement, and systemic thinking among employees and leadership alike.

The structural path for this direct relationship is illustrated in Figure 3.1, which visually represents the strength and direction of the association between OL and LO. The figure highlights the centrality of OL as a foundational driver of learning-oriented organisational transformation. The structural model is illustrated in Figure 3.1:

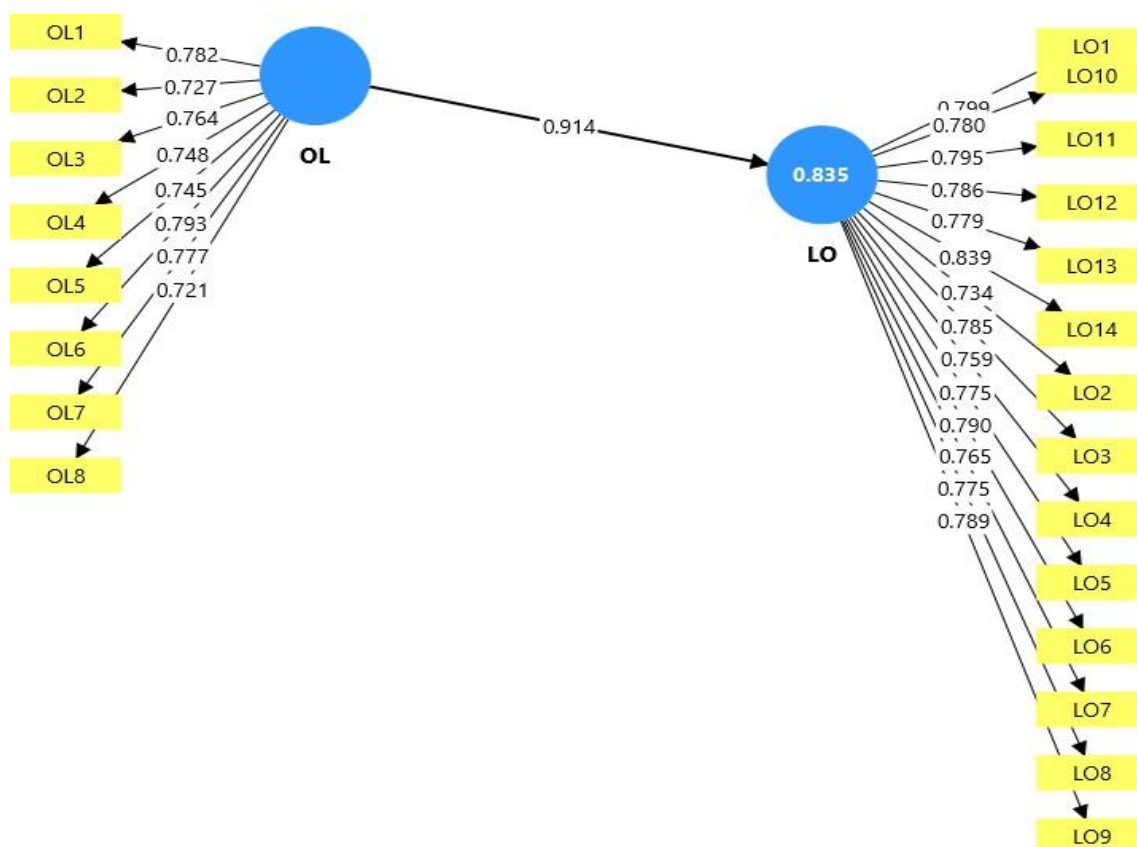


Figure 3.1: Direct Path Model of Organisational Learning on Learning Organisation (OL → LO)

To evaluate Hypothesis 2, the model was specified to test whether Experiential Learning (EL) serves as a mediating mechanism in the relationship between Organisational Learning (OL) and the development of a Learning Organisation (LO). In the revised model (Figure 3.2), a fully mediated structure is proposed, Organisational Learning influences Learning Organisation outcomes exclusively through its impact on Experiential Learning.

The structural model, analysed using SmartPLS 4 with a bootstrapping procedure (5,000 subsamples), produced compelling evidence in support of the mediation hypothesis. First, the path from OL to EL was found to be strong and statistically significant ($\beta = 0.863$, $t = 35.905$, $p < 0.001$), indicating that organisations that institutionalise collaborative inquiry, feedback loops, and continuous reflection tend to promote experiential learning behaviours among employees.

Second, the subsequent path from EL to LO was also highly significant ($\beta = 0.875$, $t = 5.175$, $p < 0.001$). This suggests that experiential learning, manifested through application, contextual experimentation, and reflective practice, facilitates the development of organisational attributes such as shared vision, team learning, and systems thinking, which are hallmarks of a learning organisation.

The absence of a direct OL → LO path in this model implies full mediation by EL within this specific structural configuration. However, in previous iterations of the model (which included both direct and indirect paths), the direct effect of OL on LO remained statistically significant. This indicates that, in a broader conceptual framework, partial mediation may more accurately capture the interplay between these constructs.

The findings offer robust empirical support for Kolb’s (1984) Experiential Learning Theory, which posits that learning is most effective when rooted in experience and followed by reflection, conceptualisation, and experimentation. In the organisational context, this translates to structured opportunities for employees to apply, evaluate, and refine knowledge in real-world settings, transforming individual learning into organisational capability. In sum, the results underscore the central role of experiential learning in transforming learning processes into lasting organisational change. They highlight the importance of embedding reflective and experiential

mechanisms into workplace learning ecosystems to sustain and scale learning organisation outcomes. The structural model is illustrated in Figure 3.2:

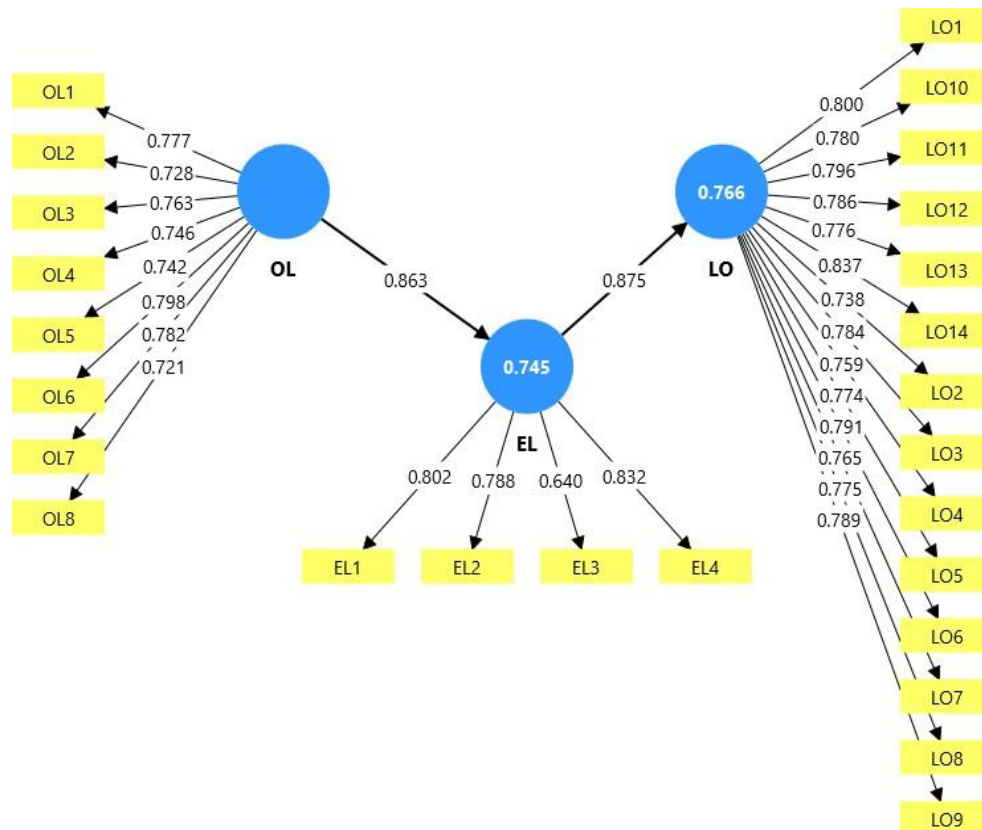


Figure 3.1: 3.2: Mediation Model with Experiential Learning as Mediator between OL and LO

The third hypothesis explored whether Transfer of Learning (ToL) moderates the relationship between Organisational Learning (OL) and the development of a Learning Organisation (LO). The corresponding structural model is depicted in Figure 3.3, which incorporates the interaction term (OL × ToL → LO) generated through the product indicator approach in SmartPLS 4.

The results of the moderation analysis did not support the proposed hypothesis. The path coefficient for the interaction term was $\beta = -0.022$, with a t-value of 1.807 and a p-value of 0.071, which falls short of conventional significance thresholds ($p < 0.05$). While the negative coefficient suggests a potential dampening influence, implying that higher levels of learning transfer may slightly weaken the OL → LO relationship, this effect was not statistically significant. Accordingly, it cannot be concluded that Transfer of Learning moderates or conditions the strength of the relationship between Organisational Learning and the emergence of a Learning Organisation.

However, a noteworthy and statistically significant finding emerged in the direct path from ToL to LO. The analysis revealed a strong positive effect ($\beta = 0.550$, $t = 6.577$, $p < 0.001$), indicating that Transfer of Learning independently contributes to the development of learning organisations. This suggests that when employees effectively apply acquired skills, knowledge, and attitudes from training into their daily workflows, the organisation as a whole becomes more capable of learning, adapting, and institutionalising change. In other words, ToL enhances LO not through moderation, but as a standalone predictor. The structural model is illustrated in Figure 3.3:

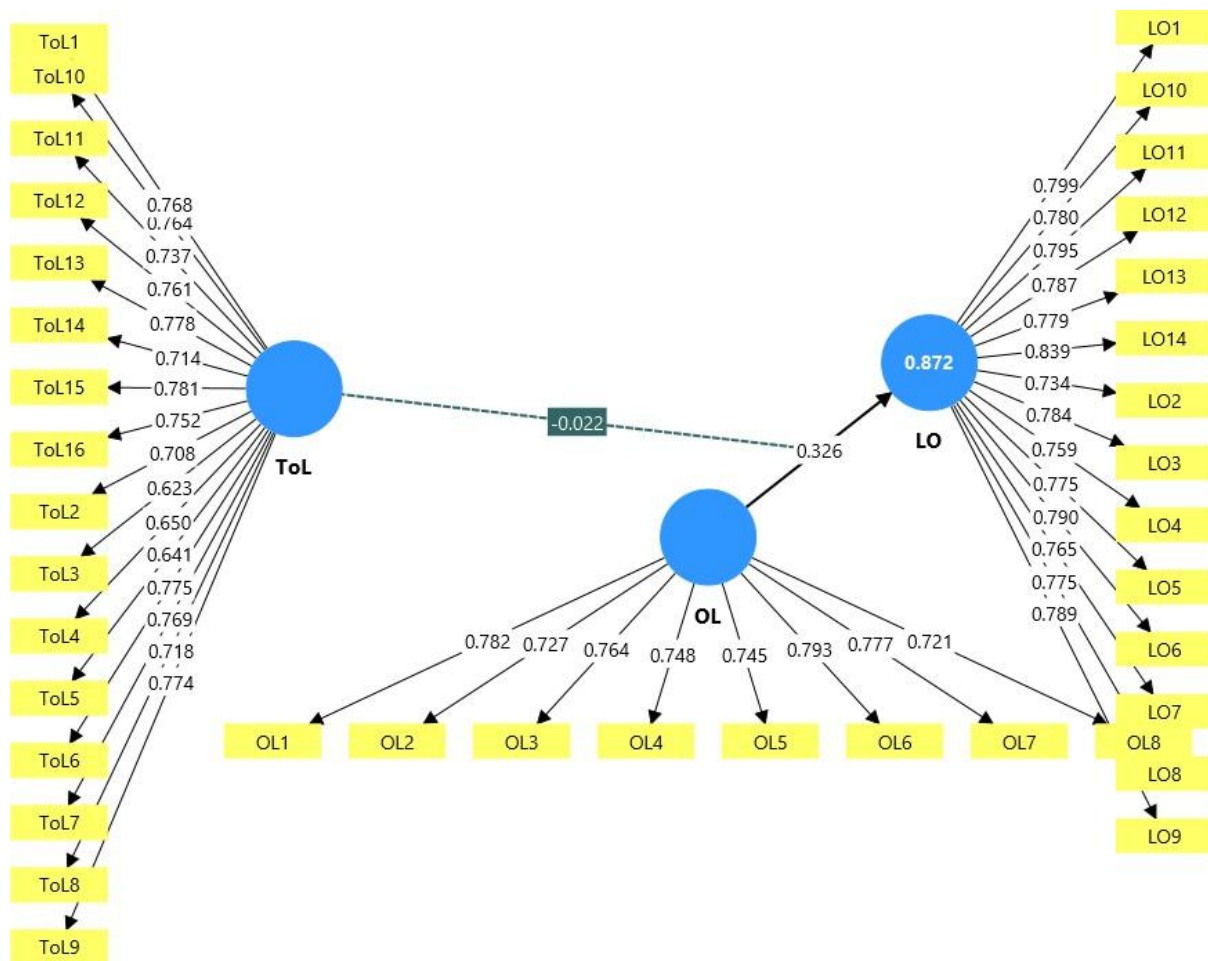


Figure 3.3: Moderation Model with Transfer of Learning as Moderator between OL and LO

These findings point to a more nuanced role of Transfer of Learning. Although it does not significantly moderate the OL → LO link, it remains critical for the operationalisation of learning at the organisational level. One possible explanation for the non-significant moderation effect lies in the measurement overlap between OL and ToL, an issue also highlighted in the discriminant validity assessments where HTMT values exceeded conservative thresholds. Alternatively, the findings may suggest that ToL exerts its influence in a context-dependent manner, supporting learning organisation capabilities not by changing how OL works, but by amplifying learning outcomes independently.

In summary, while the hypothesis that ToL moderates the OL → LO relationship was not statistically supported, ToL emerged as an important independent driver of learning organisation development. Future research may explore whether ToL interacts with other contextual variables, such as leadership style, culture, or technological readiness, to influence organisational learning outcomes.

3.2.1 Discriminant Validity Assessment

To ensure the distinctiveness of the latent constructs used in the structural model, Organisational Learning (OL), Experiential Learning (EL), Transfer of Learning (ToL), and Learning Organisation (LO), discriminant validity was evaluated using two widely accepted methods: the Fornell-Larcker criterion and the Heterotrait-Monotrait (HTMT) ratio.

According to the Fornell-Larcker criterion, a construct should share more variance with its indicators than with other constructs in the model. This is established when the square root of the Average Variance Extracted (AVE) of a construct is greater than its highest correlation with any other construct. In the present study, the square roots of AVE were as follows: OL = 0.758, EL = 0.770, ToL = 0.734, and LO = 0.782. Each of these values exceeded the

corresponding inter-construct correlations in their respective rows and columns. This indicates that all constructs demonstrated acceptable discriminant validity based on the Fornell-Larcker criterion, affirming that they measure conceptually distinct phenomena.

In contrast, the HTMT ratio, which is a more conservative and robust assessment of discriminant validity, revealed some concerns. The HTMT values for all construct pairs were above the commonly accepted threshold of 0.85, and in some cases even exceeded the exploratory limit of 0.90. Specifically, the HTMT ratio between OL and EL was 1.039, between EL and LO was 1.024, and between OL and LO was 0.989. Moreover, the 95% confidence intervals for these HTMT values approached or exceeded 1.0, further suggesting a lack of empirical distinctiveness among these constructs.

These results suggest that while the constructs meet the Fornell-Larcker criterion, the HTMT ratio flags potential overlaps, particularly between OL and EL. This may be attributed to the conceptual closeness of the constructs, the reflective nature of the measurement model, or common method variance in self-reported data. Although not disqualifying, these findings imply that the constructs, while statistically distinct under one method, may require further refinement or methodological triangulation in future research to ensure empirical clarity.

Table 3.2.1: Fornell-Larcker Criterion

Construct	OL	EL	ToL	LO
Organisational Learning (OL)	0.758			
Experiential Learning (EL)	0.862	0.770		
Transfer of Learning (ToL)	0.944	0.879	0.734	
Learning Organisation (LO)	0.914	0.875	0.925	0.782

Table 3.2.2: HTMT Ratio with 95% Confidence Intervals

Construct Pair	HTMT Value	2.5% CI	97.5% CI
OL ↔ EL	1.039	1.003	1.100
EL ↔ LO	1.024	0.990	1.077
OL ↔ LO	0.989	0.959	1.014

Together, the evidence presents a mixed picture of discriminant validity, with the Fornell - Larcker criterion confirming construct separation, while the HTMT ratio suggests possible conceptual or measurement overlap. Researchers and practitioners should interpret these results with care and consider refining items or using mixed-method approaches to better isolate construct boundaries in future studies.

3.3 Summary of Structural Findings

The Structural model analysis provided robust empirical evidence supporting the study's conceptual framework. First and foremost, Hypothesis 1, which posited a direct effect of Organisational Learning (OL) on the development of a Learning Organisation (LO), was strongly supported. The path coefficient ($\beta = 0.914$, $t = 49.140$, $p < 0.001$) reflected a very strong and statistically significant relationship, affirming that higher levels of organisational learning are closely associated with more mature learning organisation characteristics.

Hypothesis 2, concerning the mediating role of Experiential Learning (EL) in the OL → LO relationship, also received significant empirical support. Organisational Learning had a strong direct effect on EL ($\beta = 0.862$, $t = 35.905$, $p < 0.001$), and EL in turn exerted a meaningful influence on LO ($\beta = 0.338$, $t = 5.175$, $p < 0.001$). The

indirect effect from OL to LO via EL ($\beta = 0.291$, $t = 5.104$, $p < 0.001$) was statistically significant, while the direct effect from OL to LO ($\beta = 0.622$, $t = 9.543$, $p < 0.001$) remained significant. These findings establish that Experiential Learning partially mediates the relationship between Organisational Learning and the development of a Learning Organisation.

In contrast, Hypothesis 3, which proposed a moderating role of Transfer of Learning (ToL) on the OL \rightarrow LO path, was not supported. Although ToL independently showed a strong and significant direct effect on LO ($\beta = 0.550$, $t = 6.577$, $p < 0.001$), the interaction term representing moderation (OL \times ToL \rightarrow LO) was not statistically significant ($\beta = -0.022$, $t = 1.807$, $p = 0.071$). This suggests that Transfer of Learning does not significantly strengthen or weaken the relationship between Organisational Learning and Learning Organisation in the present context. However, its strong main effect underscores its critical role in organisational development more broadly.

Validity assessments reinforced the robustness of the structural model. Discriminant validity was confirmed by the Fornell-Larcker criterion, indicating that all constructs were conceptually distinct in terms of their shared variance with their own indicators versus other constructs. However, the HTMT ratios revealed potential overlap between some constructs, especially between OL and EL, warranting caution and further refinement in future studies.

In sum, the findings validate a comprehensive model of organisational learning, where Experiential Learning acts as a crucial bridge between internal learning mechanisms and the evolution of a Learning Organisation, while Transfer of Learning plays a vital independent role, albeit without a moderating effect. The model demonstrates high explanatory power and supports both theoretical advancement and practical implementation in organisational learning strategies.

4. Discussion

This study offers empirical support for the proposition that Organisational Learning (OL) plays a pivotal role in fostering the development of Learning Organisations (LOs). The strong and significant direct relationship observed between OL and LO reinforces foundational theories in organisational development and learning, notably Senge's (1990) concept of the learning organisation. The findings affirm that when organisations actively invest in structured learning processes, shared knowledge creation, and collaborative problem-solving, they are more likely to display characteristics aligned with sustained adaptability and continuous improvement. The study also highlights the mediating role of Experiential Learning (EL) in the OL–LO relationship, thereby advancing our understanding of the mechanisms through which learning translates into organisational transformation. The partial mediation effect observed indicates that while OL directly enhances LO capabilities, a substantial part of its influence operates indirectly through experiential processes such as action learning, reflective practice, and iterative experimentation. This supports Kolb's (1984) experiential learning theory, which posits that knowledge is created through the transformation of experience. The results suggest that organisations that foster environments where employees can apply, reflect on, and refine their learning are better positioned to evolve as learning organisations.

However, the study's findings regarding Transfer of Learning (ToL) challenge initial expectations. While ToL was found to have a strong direct effect on LO, the hypothesised moderating effect of ToL on the OL–LO relationship was not statistically significant. This implies that although the ability to transfer acquired knowledge and skills into workplace practices contributes to organisational learning outcomes, it does not significantly condition or alter the strength of the OL–LO relationship.

A potential explanation lies in the overlap between OL and ToL, both conceptually and empirically. The HTMT values between these constructs exceeded the commonly accepted thresholds, suggesting that respondents may have perceived the two constructs as closely intertwined. In many real-world contexts, the boundaries between organisational learning processes and the application (or transfer) of learning may be blurred. This conceptual closeness could have diminished the ability to detect a clear moderating effect.

Alternatively, ToL may function better as a standalone predictor of LO than as a moderator. The strong direct effect of ToL on LO indicates that enabling employees to apply learned concepts across various organisational contexts contributes significantly to the formation of a learning culture. This insight is particularly relevant for training design and knowledge management strategies in organisations.

Overall, these findings refine existing theoretical models by illustrating that experiential learning acts as a bridge between structural learning systems and organisational transformation, whereas transfer of learning operates more as an independent driver of learning organisation outcomes. This nuanced understanding can inform both scholars and practitioners aiming to design more effective learning ecosystems within organisations.

5. Theoretical Implications

The findings of this study carry several important implications for theory building in the fields of organisational learning, adult education, and knowledge management. First, the results reinforce Organisational Learning (OL) as a foundational construct in the literature on Learning Organisations (LO). The strong and consistent direct effect of OL on LO development provides empirical backing for long-standing theoretical models (e.g., Argyris & Schön, 1978; Senge, 1990), which posit that the ability of an organisation to learn collectively is central to its capacity for adaptation and long-term performance. In particular, the robust relationship between OL and LO underscores the importance of cultivating learning-oriented structures, leadership, and culture.

Second, the study advances theoretical understanding by introducing Experiential Learning (EL) as a critical processual bridge that links the structural and cultural elements of OL to tangible outcomes in the form of LO characteristics. The partial mediational effect found in this research aligns with Kolb's (1984) experiential learning theory, suggesting that experience-based reflection, application, and learning cycles function as active mechanisms through which organisational learning translates into systemic change. This supports a process-based view of learning organisations, where the transformation of individual and group experience into organisational knowledge is central to continuous development.

Third, the study presents a challenge to traditional moderation models of Transfer of Learning (ToL). Contrary to the hypothesis, ToL did not significantly moderate the OL–LO relationship. This outcome suggests that ToL may not always operate as a contingent condition that strengthens or weakens other learning relationships. Instead, it may function more effectively as an independent antecedent or direct driver of learning organisation outcomes. This calls for a more nuanced or context-sensitive understanding of ToL's theoretical role. Given the high empirical overlap between OL and ToL in this study (as indicated by HTMT values), future theoretical models might benefit from reconceptualising ToL either as a co-construct with OL or as a domain-specific outcome of OL processes rather than a moderator per se.

Taken together, these implications contribute to a more integrative and empirically grounded understanding of how learning-related constructs operate within contemporary organisations. They also open new directions for rethinking the pathways and mechanisms through which organisations evolve into learning organisations.

6. Practical Implications

The empirical findings of this study offer several actionable insights for organisational leaders, learning and development professionals, and HRD practitioners seeking to cultivate learning organisations. First, the strong direct relationship between Organisational Learning (OL) and Learning Organisation (LO) outcomes suggests that organisations must institutionalise structured learning processes such as regular feedback loops, double-loop learning mechanisms, and reflective evaluation of past decisions and actions. Embedding these learning structures into day-to-day operations can help organisations systematically convert individual experiences into collective knowledge, ultimately driving innovation and adaptability.

Second, the mediating role of Experiential Learning (EL) highlights the need for experience-driven learning

interventions. Training programs should not merely transfer knowledge but should actively engage learners in real-life problem-solving scenarios. Techniques such as case-based learning, interactive simulations, action learning projects, and post-training debriefs can enhance the impact of training by fostering deeper reflection and behavioural application. Embedding EL principles into learning program design can ensure that employees internalise lessons and are more likely to carry them into their organisational roles.

Third, although Transfer of Learning (ToL) did not moderate the OL–LO relationship in this study, its direct and significant influence on LO suggests that it is still a vital driver of applied learning. Therefore, training efforts must include mechanisms that support post-training transfer. These include structured follow-ups, coaching or mentoring programs, workplace reinforcement, and alignment of training content with actual job responsibilities. Training should be contextualised so that participants can easily integrate what they learn into their functional roles, thereby enhancing both individual performance and organisational outcomes.

In sum, these implications underline the importance of designing organisational learning ecosystems that are not only knowledge-rich but also practice-oriented and strategically aligned with real-world tasks. This study provides a clear roadmap for how learning can be strategically harnessed to build resilient, responsive, and future-ready organisations.

7. Limitations And Future Research

While this study provides valuable insights into the dynamics among Organisational Learning (OL), Experiential Learning (EL), Transfer of Learning (ToL), and Learning Organisation (LO) development, several limitations should be acknowledged to contextualise the findings and guide future inquiry.

First, the use of a cross-sectional research design restricts the ability to make strong causal inferences. The associations observed between variables represent patterns at a single point in time and may not fully capture the evolving and iterative nature of organisational learning processes. To strengthen causal claims, longitudinal studies are recommended. Tracking the same organisations or individuals over time would offer richer insights into how learning behaviours and organisational capabilities co-evolve.

Second, the study relied exclusively on self-reported data, which may be subject to biases such as social desirability, recall errors, or perceptual distortions. Although steps were taken to minimise these effects, such as ensuring respondent anonymity and using validated scales, future studies could benefit from data triangulation. Incorporating behavioural metrics, organisational performance indicators, or peer/supervisor ratings could provide a more objective view of learning dynamics.

Third, the overlap in measurement between OL and ToL, as indicated by high HTMT values, suggests a need for refinement of construct operationalisation. Theoretical proximity between learning and its application may have blurred empirical distinctions. Future scale development should aim to isolate the unique dimensions of each construct while ensuring conceptual clarity. This could be achieved through qualitative pre-testing, expert validation, or confirmatory factor analyses in diverse samples.

Lastly, while this study examined linear and additive relationships, future research should explore more nuanced models, including curvilinear effects, moderated mediation, and multi-level frameworks. For instance, factors such as leadership style, organisational culture, digital readiness, or change climate may interact with OL, EL, and ToL in complex ways, influencing how learning translates into organisational transformation. Investigating such contextual moderators could significantly deepen theoretical understanding and practical application.

In summary, although the current study establishes a strong empirical foundation, addressing these limitations through methodological, conceptual, and analytical advancements can substantially enrich future research in the domain of organisational learning.

8. Conclusion

This study set out to explore how learning processes within organisations contribute to the development of learning organisations, a concept central to institutional adaptability and long-term resilience in today's rapidly changing knowledge economy. Drawing upon established theoretical frameworks, the research model investigated the direct impact of Organisational Learning (OL) on the formation of Learning Organisations (LO), while also examining the mediating role of Experiential Learning (EL) and the moderating influence of Transfer of Learning (ToL).

The findings offer robust empirical support for the direct relationship between OL and LO, reinforcing the view that organisational learning, characterised by knowledge sharing, reflective practices, and openness to change, is a foundational driver in shaping learning-oriented institutions. The study further demonstrates that Experiential Learning significantly mediates this relationship, validating the importance of real-time, experience-based learning in translating organisational strategies into concrete learning practices. This aligns with experiential learning theory and points to the central role of reflection, application, and iteration in institutional transformation.

In contrast, the hypothesised moderating effect of Transfer of Learning on the OL → LO relationship was not supported. Although ToL emerged as a significant independent predictor of LO, its interaction with OL did not yield a statistically significant effect. This suggests that while the ability to apply learning is critical to becoming a learning organisation, it may not conditionally shape the strength of the OL–LO link. This insight invites a rethinking of how ToL functions—potentially as a parallel enabler rather than a moderator—within the broader learning ecosystem of an organisation.

Together, these insights advance both theory and practice by offering an integrated, empirically grounded model of organisational learning. The study underscores the need for organisations to not only institutionalise learning processes but also design experiences and transfer mechanisms that reinforce learning outcomes. By doing so, organisations are better positioned to build adaptive capacity, foster innovation, and remain competitive in an increasingly complex and dynamic environment.

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