A learning organization has been addressed as a key organizational culture in the current fast-paced global market. However, despite the attention, there was no commonly accepted single model of the learning organization. In this study, researchers discussed two alternative models for learning organization and performance were compared in terms of theoretical as well as statistical approaches. One question from the alternatives was related with the dimensionality of learning organization. General one-factor model and two sub-factor models for learning organization were compared. Another question was about financial and knowledge performance which are functioning as a final endogenous variable or a mediator. In order to examine the questions, variance and covariance matrix dataset (n = 416) from Kim, Watkins, and Lu's (2017) was used. In general, it was found that either knowledge performance or financial performance could be a mediator, or both could be outcome variables; however, the fit of each model was the same ($\chi^2 = 108.62$, df = 26, GFI = .939, TLI = .941, CFI = .958, RMSEA = .088). For the dimensionality issue for learning organization, general one-factor model was supported despite the high correlation between two sub-factors ($r = .94$). Bearing in mind the conclusion and the parsimony rule, a new model was proposed.

### Research Questions

In this study, I would examine:

1. the relationship between financial performance and knowledge performance, as a mediator–outcome variable or two final endogenous variables.
2. dimensionality issues of learning organization, comparing general one-factor model to two sub-factor models.

### Methods

#### Data and Analysis

- Kim, Watkins, and Lu (2017) analyzed DLOQ+ survey data to develop a learning organization model. The correlation table from Kim, Watkins, and Lu's (2017) study was used to recalculate each covariance, using means, standard deviations, Cronbach's alpha coefficients, and correlations (n = 416).
- In order to test the fit of learning organization models based on structural equation modeling (SEM), Amos software was employed.
- Overall, six different models were tested and drawn based on the previous studies.

#### Results

- The DLOQ mean, standard deviation, and correlation scores from the covariance matrix (Kim, Watkins, & Lu, 2017) were used to determine each covariance among the 9 dimensions (7 dimensions of a learning organization and 2 dimensions of performance outcome).

### Knowledge Performance and Financial Performance

- The first model (Figure 1) was based on Kim, Watkins, and Lu's (2017) study, and the relationships of all variables were very similar to the original model; knowledge performance fully mediated the relationship between learning organization and financial performance ($\chi^2 = 108.62$, df = 26, GFI = .939, TLI = .941, CFI = .958, RMSEA = .088).
- The second model (Figure 2) was one of the equivalent models of the original model. This time, financial performance became a full mediator of learning organization and knowledge performance ($\chi^2 = 108.62$, df = 26, GFI = .939, TLI = .941, CFI = .958, RMSEA = .088).
- Also with the same fit, the third model (Figure 3) explained that learning organization could affect knowledge performance and financial performance, respectively ($\chi^2 = 108.62$, df = 26, GFI = .939, TLI = .941, CFI = .958, RMSEA = .088).

### Dimensionality Issues

1. The sub-group (named as second-order factor 1) with continuous learning, knowledge, and inquiry, team learning, and empowered people (Figure 4, $\beta = .47$, $p < .001$) was less correlated with other sub-group (named as second-order factor 2) with embedded system, individual development, and strategic leadership (Figure 5, $\beta = .38$, $p < .05$).
2. Therefore, the relationship between only two sub-groups was tested (Figure 7), and the correlation between these two factors was .92.

### Suggested Model in This Study

- Based on the test of learning organization dimensions and relationships among outcome variables, the final model having the highest fit with the original model was drawn and assessed (Figure 8, $\chi^2 = 108.62$, df = 26, GFI = .939, TLI = .941, CFI = .958, RMSEA = .088).

### Discussion

- Kim et al.'s (2017) model was tested at first. The result showed the similar mediation effect of knowledge performance between learning organization and financial performance as the original model.
- In the second model, it turned out that knowledge performance was explained by learning organization and financial performance mediated the relationship.

### Conclusion

- The third model (Figure 3) did not have any mediation effect learning organization directly, but sufficiently described knowledge performance and financial performance, respectively.

### Limitation

- Combining the conclusions from these analyses, I selected the most parsimonious but the best-described model (Figure 8).
- Even though its fit would be the same with other models in the previous studies, the suggested model was based on the law of parsimony.
- Therefore, it could be easily fit in the organisational setting, and organizations may refer to this model for their organisational interventions on learning organization and performance outcomes.

### References