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Exploring the Mediation Impact of Innovation and Adaptation to Change in Learning Organisation-Performance Outcomes

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Abstract

Intense competition and sustainability have impelled organizations to continually innovate products, processes, services, and adapt to meet changing expectations of internal and external customers. In India, General Insurance Companies (GIC) are offering innovative products & services, digitizing services, collaborating with global players, etc. in a bid to build dynamism to their product portfolio. The present paper explored the existence of innovation and adaptation to change in mediating the relationship between Organisation Learning(LO) and Performance Outcomes (PO) .498 employees from 12 General Insurance Companies operating in Union territory of Jammu & Kashmir, India were contacted for the study. Results of Barron & Kenny's and Kelloways method confirmed partial mediation of innovation and adaptation to change in the relationship between LO-PO. To accelerated innovation and adaptation, the paper suggested frequent brainstorming sessions, empowerment of employees, digitizination of services and bringing change management through training & education, compensation methods, exposure through business trips at national and international levels.

Keywords: *Learning Organization, Performance Outcomes, Mediation*

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INTRODUCTION

The new economic order is characterized by collaboration, interdependence, competitiveness, changing customer expectations, increasing workforce diversity, knowledge & information explosion, and strategic partnerships. For long term sustainability, organizations must always be ready to innovate and adapt themselves to meet the ever-changing needs of customers & workers by modifying their products, processes & services. The world over, organizations are exploring & implementing different learning strategies to initiate innovation, improve operating efficiency, create value for customers & shareholders, and deal with changes (Davis & Daley, 2008). The learning organization (LO) is recognized as the best strategy which motivates the employees for continual learning and & use knowledge for optimizing corporate operations and create a dynamic culture to adapt changes. These organizations are generative, responsive, efficient & cost-effective, act as an umbrella to deal with uncertainties, adopt the external changes to stay competitive and craft an innovative culture which shifts the performance curve in the upward direction (Imran et al., 2014; Akhtar & Khan, 2011; Kumar, N., 2005). Empirically, LO improves market share, productivity, superfast economic growth, and service expansion as well as employee engagement, innovation, and improved organizational performance (Lyle, 2012; Baker & Sinkula, 1999; Singh, 2010).

Indian General Insurance sector ranked 18th globally and consisted of 33 are non-life insurers and 24 life insurance business. Among the non-life insurers, motor insurance emerged to be the largest segment with 48% market share followed by health insurance (27%), fire insurance (12%), others (10%), and marine insurance (3%). The gross direct premiums of non-life insurers in India registered a growth rate of 14.47 percent from US$ 13.66 billion in FY20 compared to FY 2019. The market share rose from 13.12 percent from 2003 to 2020 among private sector companies in the non-life insurance market. The GIC is launching innovative products & services to meet the requirements of the society, build dynamism to the product portfolio and promote bancassurance, digitalization, de tariffing and regulatory activism, thereby contributing to its overall growth. Despite the significant growth, the huge General Insurance market largely remains untapped in both rural & urban India due to unprecedented challenges like rising customer expectations & demands, rigid rules & regulations, diminished investment returns and changes in societies, markets, customers, competition & technology. These changes have forced the insurance organizations to redefine their values and learn new ways of working.

The available literature has dealt on the conceptual framework of learning organization in manufacturing companies, libraries, state-owned enterprises, private firms, health care, banking etc. Several variables in the literature such as trust & commitment among employees, information quality, customer satisfaction, internal marketing practices, etc. have been identified to mediate the relationship between learning organization and its outcomes but are excluded from the purview of this paper. Moreover, there is scanty research on the insurance sector especially General Insurance (GIC) and the role of innovation and adaptation. Thus, the present paper has explored whether innovation and adaptation to change mediates between the relationship of learning inputs and performance outcomes in public and private GICs. The in-depth knowledge provided would help in reshaping the design and operational performance of the General Insurance Companies which eventually would contribute towards their profitability, competitiveness, employment generation, long term corporate sustainability along ethical human behavior practices.

CONCEPTUAL FRAMEWORK OF LEARNING ORGANISATION

Success in the marketplace is gradually being influenced by learning, therefore every individual should escalate lifelong learning and every successful organization has to become permanently a learning organization (Vemic, 2007).

Learning Organization: Senge (1990) enticed learning organizations where novel & holistic patterns of thinking are cultivated, through continuous learning and common group objectives. The scope of LO has been enlarged by including continuous learning (Pedler et al., 1991), acquiring, cultivating knowledge and applying knowledge that enhances adaptability (Marsick & Watkins,2003), interaction & sharpening thinking abilities (Yong & Kim 2006), constant organizational renewal to learn, adapt and change (Jamali et al., 2005). Thus, a learning organization has futuristic strategic orientation, adaptable & flexible and provide equity and growth opportunities. The determinants or inputs of LO are learning aptitude, shared vision, training, trust, reward, communication, empowerment, knowledge management, teamwork, and leadership.

Innovation: Lepore, Jill (2019) defines innovation as ` a new idea, product, process capable of satisfying new needs or existing market requirements. Innovation takes place through effective products, processes, services, technologies, etc. Calantone et al. (2002) suggested that a learning organization can enhance its innovation capability in three ways: by using modern technology, encashing the opportunities created in emerging markets and outperforming in innovation capability than competitors.

Adaptation to Change: Adaptation to change means the capability of employees to survive in change instigated by values & beliefs of people, mature state of ideas, policies, and plans of the organization (Basim et al., 2007; Dodgson, 1993; Sudharatna & Li, 2004). The organization providing inbuilt change process increase revenue and provide an enhanced experience to customers. Learning organizations gradually adjust themselves when dealing with environmental change and raise the levels of advancement in work, process, and technology (Alipour et al., 2011).

Organizational Performances: Organisational performance is the achievement of goals used to determine the effectiveness and efficiency of the organization and outcomes of various organizational processes which happen in the normal course of operations (Neeley et al., 1995; Ratna et al., 2014; Husseina et al., 2014). The performance is viewed from both qualitative and quantitative aspects.

Financial Performance: It is the process of measuring the results of a firm's policies and operations in monetary terms**.** It includes sales, growth, and profitability which is determined through return on investment, returns on sale, earning per share, return on assets, debt ratios, savings ratios, market value, net assets values (Axelrod et al., 2001; Ellinger et al., 2002; Farrel & Oczkowski, 2002).

Non-Financial Performance: Any quantitative measure which is not expressed in monetary units but leads to improve financial performance is called non-financial performance. Learning organization increases the commitment level of employees, usefulness, the effectiveness of information quality, customer satisfaction & retention, and employee satisfaction (Singh, 2010; Bento, 2006; Langenegger et al., 2010). Learning organizations promote innovation & employee creativity, service quality, and service effectiveness (Ram &Prabhakar, 2011; Calantone et al., 2002).

REVIEW OF LITERATURE AND HYPOTHESES FORMATION

Learning organization is recognized as a future strategy to encourage creativity, innovation, and manage dynamic changes through which organizational efficiency & effectiveness can be amplified (Senge, 1990). Organizational creation is fundamental to the process of innovation

(Van de Ven et al., 1999) which impacts an organization's performance, survivability, and competitiveness. It is determined by enhanced learning, learning supported organizational culture, operational level behavior, etc. (Sebestoval & Rylkova, 2011). Burcu and Ceyda (2013) have identified three pairs of organizational innovation types, which are administrative & technical, product & process, and radical & incremental innovation. A learning organization instills new ideas and reinforces the creativity & ability of the workforce, which supports the presence of innovation (Montes et al., 2005). Nisar and Ashraf (2014) found that commitment towards learning, shared vision, open-mindedness, and knowledge sharing within the organization are positively related to the innovative culture. Besides, effective communication, trust, and knowledge, risk-taking, experimentation, and reward are significantly associated with innovation (Ruppel & Harrington, 2001; Kontoghiroghes et al., 2005) Aly (2016) found that empowered employees respond more quickly to the market opportunities by gathering & transforming information into new & creative ideas and crafting an innovative culture in the organization. Marsick and Watkins (2003) suggested that changes can be adapted through a culture, where knowledge is highly valued, learning is promoted and employees feel protected & open. Further, leaders in the organisation create a culture which is elastic, adaptive & favorable to ongoing changes along with a positive working environment and effective reward system, which helps the organization to adapt to changes (Sun & Scott, 2003). Singh (2008) found that learning organizations encourage teamwork which enables the employees to exchange their new ideas, share learning experiences, acquire knowledge, give suggestions & feedback, and promote innovation (Khan et al., 2009). Learners' aptitude and training which enhances employee skill also enhances innovations in an organization (Jung et al., 2003 and Elkjaer, 2004). Nyukorong (2016) found that organizations & individuals alike enhance their learning ability to remain feasible in surroundings characterized by uncertainty and change. Senge (1990) asserted that a robust learning aptitude of employees helps them to survive in the state of erratic change. Sudharatna and Li (2004) found that learning organizational inputs namely, leadership, commitment towards learning, communication, and empowerment are highly correlated with organizational readiness-to-change. Peach et al. (2005) opined that empowered employees have more clarity of roles & responsibilities, they make more corrective decisions and constantly develop a learning culture that taught them to adopt changes. Besides, trust within organizational climate could function as a predictor of readiness for organizational change (Kontoghiroghes et al., 2005). Organizational innovativeness mediates the relationship between learning organization dimensions and quality performance (Arumugam et al., 2015).

In today's complex & dynamic business environment all industries & organizations experience change driven by competitors, customers, suppliers & technology and to survive in this turbulent situation, organizations need to adapt changes (Pedlar et al., 1991). Modern organizations dare to form an environment in which, all members constantly learn and experiment to become accustomed to the changes (Montes et al., 2005). Adaptation to change involves systematic planning, organizing, and implementing change so that organizations move from current state to their desired state (Robertson et al., 1993). Charmian et al., (2015) found that when employees in the organization handle internal & external changes effectively, it adds to their competitive advantage and performance. Ashton (2004) opined that when an organization makes its employees free to adapt changes through continuous learning, it improves its performance (Marsick & Watkins, 2001; Weldy, 2009). Qurtubi (2011) investigated the significant relationship between adaptation to change and organizational performance measures i.e. employees' satisfaction & customers' satisfaction. Tsai (2008) observed change adaptation increases employees' efficiency, organizational commitment, and job performance. Further, Singh (2008) opined that organizations adopt changes to remain flexible and to improve financial and non-financial performances. Imran (2014) viewed that learning organization enables learning of its members in such a way that creates positively valued outcomes such as, organizational commitment, creativity, innovation, and adaptation to change, which ultimately increases organizational performance. However, in recent years a notion of ` ambidextrous organization' has evolved suggesting that long term sustainability lies in firms' ability to compete in both mature and emerging markets (O'Reilly & Tushman, 2004, 2008; Tushman et al., 2010). Thus, adaptation to change is predictive and through innovation, organizations develop new technologies & structures which predict areas of change, thereby enhancement of financial & non-financial measures. Thus, based on aforesaid reviews, the hypotheses framed are:

Hyp$_1$: *Innovation mediates the relationship between the learning organization and organizational performance.*

Hyp$_2$: *Adaptation to change mediates the relationship between learning organization and organizational performance.*

DATA COLLECTION, SCALE PURIFICATION & VALIDATION AND MEASUREMENT ANALYSIS

In the present paper, the impact of mediation of innovation and adaptation to change between LO-PO were examined in General Insurance sector of the Union territory of J&K. The questionnaire used in the study was prepared by scanning literature and consulting experts in the respective fields. An adapted questionnaire consisted of part I & II was used to elicit the desired information. Part I contained general information and part II contained specific information in the form of Liker Scale (5<----1>) ranging highest from 5 to lowest 1 denoting strongly dis agree. In the end, suggestions were kept in an open-ended form. Initially, a pilot survey was carried on 120 employees selecting 10 each from four public and eight private General Insurance companies. After the pilot survey, the questionnaire was further refined and final instrument was administered on employees at three levels of 12 General Insurance companies namely, National Insurance Company Limited, The New India Assurance Company Limited, The Oriental Insurance Company Limited, United Indian Insurance Company limited, IFFCO Tokio, Universal Sompo, Tata AIG, Bajaj Allianz, ICICI Lombard, Future Generali, Reliance and HDFC Ergo. Employee at top, middle, and lower levels were contacted for data collection. The top-level employees comprised were divisional heads, branch heads, assistant manager, and administrative officers. Employees at the middle level consisted of development officers (marketing & administrative) & senior assistant and at the lower level, there were assistants, route clerks, record clerks, etc. Out of 566 questionnaires, 498 effective responses were received, which represented 87.99% of the response rate.

The normality of the data collected was assessed through outliers and 12 outliers were deleted from the datasheet. In the QQ plot, the observed values plunged directly along with the diagonal line, implying that the observed values were exactly similar to predictable from a normally distributed data set. The Skewness and Kurtosis values came to be -0.294 and -0.263 respectively, which were within the threshold limits of ±1. The reliability of the scale items was above the threshold criteria (Cronbach Alpha) of 0.7, given by Hair et al. (2009). The composite reliability (CR) of scale construct was above 0.7 representing that the items consistently represent the same latent construct (Hair et al., 2009).Content validity was established through expertise interaction and existing literature on the subject. The value of Average Variance Extracted (AVE) 0.50 indicate convergent validity. Nomological validity was satisfied as all measures were associated with other constructs in a way that is theoretically meaningful and systematically interrelated.

Scale Purification and Validation

Exploratory factor analysis was performed for data reduction and arriving at a smaller set of new variables called factors (Malhotra & Dash, 2009). Factors elicited from using SPSS (20 version) with principal component analysis (PCA) were four (learning aptitude), one (shared vision), three (empowerment), one (training), two (trust), three (communication), three (teamwork), three (knowledge management), two (leadership) and one (reward). The KMO value and Bartlett's test of sphericity (Chi-square values) of each dimension of the learning organization revealed the sampling adequacy for the factor analysis. After EFA, second-order confirmatory factor analysis was run to assess the reliability, fitness and validity of various constructs of the learning organization. All the measurement models proved to be good-fit as indicated by ß-value (>0.50), chi-square (<5), RMR (<0.09), GFI (>0.90), AGFI (>0.90), NFI (>0.90), TLI (>0.90), RMSEA (<0.08) and CFI (>0.90). Similarly, EFA was performed on organizational performance (financial & non-financial) separately using SPSS. The factors retained after purification were financial performance (one) and non- financial performance (five). The communality values & factor loadings for all indicators of the constructs were above 0.50 indicating moderate to the high degree of linear association among the variables. The KMO value of all dimensions revealed the sampling adequacy for the factor analysis and was arrived for financial performance = 0.769 and non- financial performance = 0.813. Thereafter, CFA was conducted on two constructs namely, organizational financial & non-financial outcomes. The financial performance model denoted good fit as the model fit indices were: $\chi 2$ /df =1.117, RMR= 0.015, NFI = 0.963, GFI = 0.984, AGFI= 0.989, TLI= 0.984, CFI= 0.987 and RMSEA= 0.025. The model was also valid and reliable as depicted by AVE (0.73) and high CR value (0.85). Second-order CFA was performed on non-financial performance measure which comprised of five factors. The results revealed that the model fit statistics were within recommended limits i.e. chi-square/df= 1.270, RMR= 0.008, GFI= 0.973, AGFI= 0.983, RMSEA= 0.019, CFI= 0.989, NFI= 0.987 and TLI= 0.986.

Measurement Analysis of Mediators - Innovation and Adaptation to Change

The application of EFA on innovation construct resulted in two factors in which seven items were retained out of fourteen items. The KMO value was arrived at 0.723 and BTS assessed chi-square = 673.811, df = 21 at 0.000 significance level, which supported the suitability of data for pursuing factor analysis.

Factor 1: Innovation Capability

This factor included three significant items like 'Company requires employees' feedback for the development of services (FL = 0.789 and communality= 0.904)', 'Employees in this organization use new ways of doing the operation (FL= 0.703 and communality= 0.631)' and 'Company makes changes according to customers' need (FL = 0.589 and communality= 0.663)'. The total variance elucidated by this factor was 37.245% and Cronbach's alpha value was 0.732.

Factor 2: Magnitude of Innovation

Items included under this factor were 'Company continually explore new technologies, processes and products (FL = 0.505 and communality = 0.598)', 'Employees are allowed to solve the same problem with different style (FL = 0.949 and communality = 0.540)', 'Company regularly customise its IT system to reach the customers (FL = 0.734 and communality = 0.704)' and 'Customer's suggestions help to innovate new products & processes (FL = 0.948 and communality = 0.783)'. The variance accounted for this factor was 55.948% and Cronbach's alpha value arrived at 0.809. A second-order CFA was performed to assess the dimensionality of the innovation based on two factors namely, 'Innovation capability' and 'Magnitude of innovation'. The model predicted good fit values with GFI, AGFI, CFI, TLI, and NFI above 0.9, $\chi 2$ less than 5.0, SRWs were more than 0.50 and RMR and RMSEA values were 0.027 and 0.049 respectively which were less than the threshold value of 0.08. Moreover, the construct validity and reliability of the model also got established by AVE (0.65), CR (0.84), and good value of SR estimates.

Adaptation to Change

Execution of EFA on the construct 'Adaptation to change' resulted in two factors. The detailed explanation of each factor are as under:

Optimism

Employees of General Insurance company agree that for improving the work, the company embraces change (M = 4.32) and also adopt changes in work culture (M = 4.32). This reveals that employees have a positive attitude towards change (M = 4.22).

Handling Change

Insurance companies not only have a positive attitude towards change but also handle the change effectively. The analysis reveals that the item 'Anything that contenders offer, this company actively match with it (M = 4.36)' contributed more followed by the remaining items 'Employees anticipate the changing needs of the customers (M = 4.23)' and 'Employees calmly handle the change taking place in the company (M = 4.02)'.

After EFA, CFA was performed on the adaptation to change construct and two items were deleted as the SRW was less than 0.50. After deletion, all the fit indices were according to the prescribed limits i.e AGFI = 0.983, GFI = 0.973, CFI = 0.979, TLI= 0.967, NFI = 0.966, $\chi2$ = 1.340, RMR = 0.018 and RMSEA = 0.023. The model validity and reliability gets established through good values of SR estimates. AVE, CR and Alpha value.

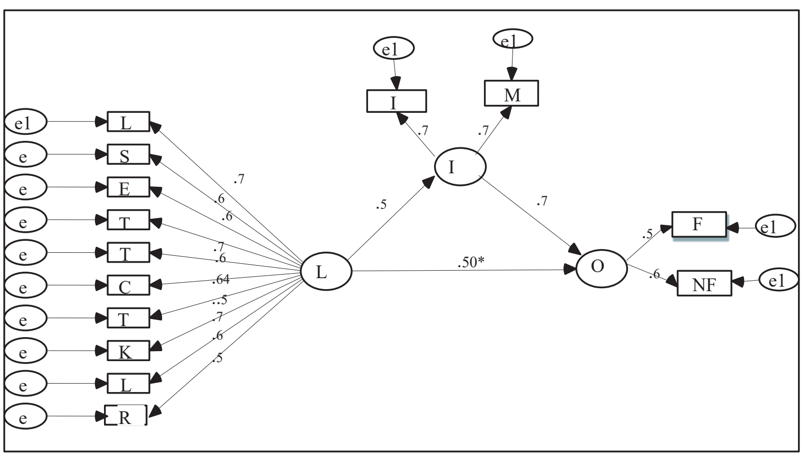
Descriptive Analysis of Respondents

Out of 498 respondents of four public and eight private GIC functioning in the Union territory of Jammu & Kashmir, 76% of the employees belonged to public companies and rest 24% to private companies. Gender- wise percentage in total was 62% male and the remaining 38% females. Of the total respondents, the percentage of graduate, postgraduate and others were 48, 35, and 7 respectively. Age-wise, respondents were subdivided into 4 categories. 29 respondents were found below the age group 25 years, 176 were between the age group 25-35 years, 152 belonged to the age group between 35-45 years & 141 respondents were of the age group between 45-58 years. Monthly salary-wise,10% respondents were between Rs.10, 000- Rs.20,000, 42% of employees were Rs.21, 000- Rs.30, 000,26% between Rs.31, 000- Rs.40,000 and remaining 22% of employees were drawing salary above Rs.40, 000.Of the 498 respondents, 6% of employees belonged to top-level management,42% middle level management, and rest 52% of employees belonged to the lower level. 414 (83%) respondents were married and the remaining 84 (17%) were unmarried. Of the total, 3% of respondents were having 6 months-1 year work experience, 18% had the experience of 1-3 years, 22% had

3-5 years of experience and 57% were having above 5 years of work experience with their respective companies.

DATA ANALYSIS AND INTERPRETATION

According to Baron & Kenny (1986), a variable that influences the relationship between an independent variable and an outcome variable is called mediating variable. To test the mediating effect, the conditions laid are- the association between an independent variable and dependent variable should be significant; the association between an independent variable and the third variable i.e. the mediator should be significant; the association between mediator and outcome should be significant and when the mediator is entered into the equation, the relationship between an independent variable and dependent variable should become insignificant. Further, the mediation effect of innovation and adaptation to change was also checked through Kelloways method. According to this method ,the three contrasting models include, fully, partially and non-mediating models were tested to identify the mediation effect of innovation & adaptation to change in learning organization and performance outcome relationship.



Chi-Sq	**2.688**	**GFI**	**0.984**	**AGFI**	**0.989**
CFI	**0.959**	**TLI**	**0.937**	**NFI**	**0.937**
RMR	**0.010**	**RMSEA**	**0.059**		

Keywords: *LO-Learning organisation, IN-Innovation, OP-Organisational performance, LA(Learning aptitude),SV(Shared vision), EM (Empowerment), TO (Training opportunity), TR (Trust), TW (Team work), CO (Communication), KM (Knowledge management), LS (Leadership), RD (Reward), IC (Innovative capabilities), MI (Magnitude of innovation), FP (Financial performance) &NPF (Non-financial performance) are the observed variables and e1-e14 are the error terms.*

Fig. 1: Mediating Role of Innovation in LO-PO Relationship

Table 1: Contrasting Models of Innovation as a Mediator through Kelloways' Approach

Contrasting Models	χ^2	Df	χ^2/df	RMSEA	RMR	GFI	AGFI	NFI	CFI
Fully mediated model (LO-IN-OP)	317.45	68	4.668	0.079	0.012	0.865	0.889	0.853	0.888
Partially mediated model (LO-IN-OP)	158.59	59	2.688	0.059	0.010	0.937	0.959	0.937	0.959
Non mediated model (LO-OP)	173.85	45	3.860	0.074	0.008	0.923	0.889	0.853	0.888
Threshold criteria for best model fitness			≤ 5	≤ 0.08	≤ 0.08	≥ 0.9	≥ 0.9	≥ 0.9	≥ 0.9

Table 2: Contrasting Models of Adaptation to Change as a Mediator through Kelloways' Approach

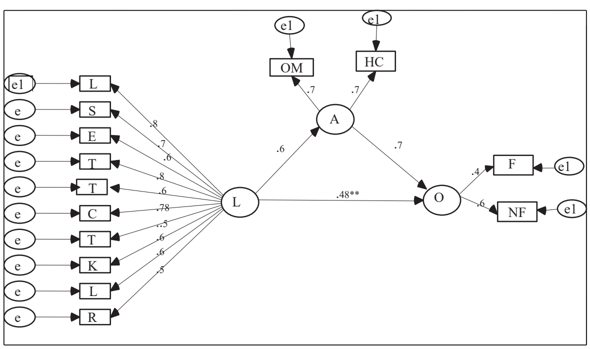
Contrasting models	**χ^2**	**Df**	**χ^2/df**	**RMSEA**	**RMR**	**GFI**	**AGFI**	**NFI**	**CFI**
Fully mediated model (LO-AC-OP)	167.72	43	3.901	0.094	0.086	0.888	0.934	0.915	0.933
Partially mediated model (LO-AC-OP)	147.39	42	3.509	0.087	0.079	0.900	0.944	0.926	0.944
Non mediated model(LO-OP)	265.54	14	18.96	0.234	3.143	0.697	0.806	0.708	0.805
Threshold criteria for best model fitness			≤ 5	≤ 0.08	≤ 0.08	≥ 0.9	≥ 0.9	≥ 0.9	≥ 0.9

Innovation as the Mediator between LO-OP

The Baron & Kenny's (1986) procedure revealed partial mediation (Fig. 1) affect of innovation in the relationship between learning organization (LO) and performance outcomes (PO). This was due to the fact that when the mediator was entered between LO and PO, the direct relationship got reduced but still significant (SRW = 0.50, $p < 0.005$). This mediation was also confirmed through Kelloways' method which showed three mediation models i.e. fully mediated model, partially mediated model, and a non mediated model. Table 1 depicts three contrasting models' of innovation as a mediator with their respective values which revealed partial mediation is best fitted. Thus, the hypothesis Hyp_1 '*Innovation mediates the relationship between the learning organization and organizational performance*' is partially accepted.

Mediating Role of Adaptation to Change in LO-OP Relationship

Baron & Kenny's (1986) approach was also applied for testing whether adaptation to change act as mediator between LO & PO. The result of the study supported partial mediation when mediator (AC) was entered between LO and PO (SRW = 0.48, $p < 0.001$), the direct relationship between the two reduced but remained significant (Fig. 2). It is also checked again through Kelloways' method and the results were the same as arrived by the Baron & Kenny method that the partial mediation was robust fit (Table 2). Thus, the hypothesis Hyp_2 '*Adaptation to change mediates the relationship between learning organization and organizational performance*' is partially accepted.



Chi-Sq	**1.117**	**GFI**	**0.984**	**AGFI**	**0.989**
CFI	**0.987**	**TLI**	**0.984**	**NFI**	**0.963**
RMR	**0.040**	**RMSEA**	**0.015**		

__Keywords:__ LO-Learning organisation, AC-Adaptation to change, OP-Organisational performance, LA(Learning aptitude),SV(Shared vision), EM (Empowerment), TO (Training opportunity), TR (Trust), TW (Team work), CO (Communication), KM (Knowledge management), LS (Leadership), RD (Reward), HC (Handling change), OM (Optimism), FP (Financial performance) & NPF (Non-financial performance) are the observed variables and e1-e14 are the error terms.

Fig. 2: Mediating Role of Adaptation to Change in LO-PO Relationship

CONCLUSION, MANAGERIAL IMPLICATION AND FUTURE RESEARCH

Conclusion

The study found a mediating role of innovation and adaptation to change in the relationship between learning organisation and organisational performance. This reveals that employees of learning organisation are able to adapt changes and show a tendency to innovate which increases the performance of the General Insurance. Statement-wise, mean values namely, 'Employees of insurance sector uses new ways of doing operations (M = 4.23)', 'Organisation make changes according to customer needs (M = 4.21)' and 'Company require employees' feedback for development of services (M = 3.21)' shows employees' ability to adopt innovation at workplace. General Insurance companies continually searches out for new technologies, processes & products (M = 4.41), regularly customise their IT system to reach the customers (M = 4.33) and allowed to solve the same problem with different style (M = 4.30) which indicates the extent of innovative spirit among employees. The items 'Employees do not hesitate to work in different culture' revealed low mean value of 2.32 whereas, the item 'Anything that contenders offer, this company actively match with it' showed high mean value of 4.36, depicting that employees of the GIC have enough competitive spirit but they are less eager to work in a culture of change. The study found that learning organisational inputs namely, learning aptitude, shared vision, empowerment, team work, training, trust, reward, communication, knowledge management and leadership has significant impact on adaptation to change (SRW = 0.72) followed by innovation (SRW = 0.59) and organisational performance (SRW = 0.56). The study revealed that 'Training' (SRW = 0.64), 'Communication' (SRW = 0.64) 'Learning aptitude' (SRW = 0.62) and 'Knowledge management (SRW = 0.63) are the strongest factors that affect innovation. Some items also showed average mean score viz. 'Customer's suggestions help to innovate new products and processes (M = 3.02),satisfaction with regard to compensation (M = 3.16),fairness of performance appraisal system (M = 3.24), 'Conflicts are handled appropriately through proper channel (M = 3.16)' and 'Internal atmosphere in the company is pleasant (M = 3.08).

Theoretical and Managerial Implications

The present study verified the impact of innovation and adaptation to change on organisational performance. The present research study contributed to pervious literature of learning organisation, innovation, adaptation to change and organisational financial & non- financial performance in several ways. *Firstly,* the results of present study have added to earlier research by enlightening positive effects of learning organisational inputs namely, learning aptitude, shared vision, empowerment, training, trust, reward, knowledge management, communication, team work and leadership on innovation. *Secondly,* it also contributes to the previous research that learning organisational inputs positively affects adaptation to change. *Thirdly,* the study added to the past literature by identifying the significant impact of learning organisational inputs on organisational financial and non- financial performance. *Fourthly*, it observed the insignificant mean variation in the perception of employees of both public and private General Insurance companies regarding the learning organisational inputs. *Fifthly,* the present study explored the insignificant mean variations in learning organisational practices adopted by General Insurance companies based on demographic variables. *Lastly,* the contribution of our research is that it explored the mediation effect of innovation and adaptation to change in learning organisation and organisational performance relationship.

Based on the findings, the public GICs have reported a low tendency for innovation among employees. Therefore, management should induce the development of customized products & services based on employees' suggestions and customers' feedback through brainstorming sessions, digitalization of services, monetary benefits, claims to handle management, etc. Adaptation to change capability in the public GIC was also found below average. This can be overcome by organizing change management programmes, executing change based training & education programmes, and offering employees business trips (national or international) through which they can learn & adapt changes. Internal marketing practices of public GICs should be innovation-centric. This can be ensured by enhancing the skill of employees by deputing them to short term skill development programmes, management development, and personality development courses, empowering employees so that they can `Think beyond Box', recognizing the service of employees so that employees feel psychologically involved, developing standard branch layouts & infrastructure, proper sitting arrangements for employees & customers and spacious transparent soundproof customer lounge. Employees of the private GIC were found to be less empowered and were not valued by their superiors as compared to the public sector. Thus, managers should involve subordinates in goal setting at the department level, give them authority & responsibility and bestow their employees with freedom, authority , autonomy, and support to carry out job-related tasks. This will help in building team cohesiveness and intimacy which is vital for innovation and adaptation to change. Further, the knowledge management framework of employees is enhanced through extensive use of information technology, internet, publications, and workbooks so that innovative strategies, resource allocation, risk management, claim handling management, etc. could be evolved.

Scope for Future Research

The sample size in the study was limited to employees of GIC, in the future could be enlarged by including customers, brokers, agents, or intermediaries as they also impact the performance of the company. Only limited inputs of LO have been studied and in future more inputs namely, self-actualization, screened environment, accountability & control, and the embedded system could be included. Mediating impact was analyzed in relation to two variables, which in future researches could be extended to trust, risk-taking, proactiveness & creativity, compensation method, job security, etc. in GIC sector and replicating on different service sectors like tourism, hotel industry, police force, military regiment, and health care to validate the results.

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