

Inter Relationships Between Learning Orientation, Relationship Orientation and Business Performance: An Empirical Study on Pakistani Banking Sector

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Abstract: The main purpose of this paper is to examine the link among learning orientation, relationship orientation and business performance in the leading financial institutions of Islamic Republic of Pakistan. An empirical research design provides the basis to answer the research question of how learning orientation and relationship orientation are important for achieving high business performance. Data collection was made through survey questionnaire by visiting 400 branches of government, commercial and also Islamic banks operating in big cities of Southern Punjab of Pakistan. The linkage between the three study variables were examined using factor analysis, reliability, regression and correlation analysis. The results showed that learning orientation contributes positively and significantly to business performance via relationship orientation. As a final point, the paper also presents some implications, limitations and suggestions for future research.

Key words: Learning Orientation • Relationship Orientation • Business Performance • Pakistan

INTRODUCTION

Banking sector is playing a vital role in the growth of economy of Pakistan. During last two decades, the growth of banking industry can be accredited due to increase in advances, deposits and investments in stocks and shares, weighted average rates on deposits and advances. Moreover, as on 31st December 2012, number of branch network of 44 public sector commercial, specialized, domestic private and Islamic Pakistani and foreign banks has also been reached to 9,772 branches all over the Pakistan [1]. This high number of branch network of bank branches shows high competition among Pakistani and Foreign Banks. To remain in this competition, banks have to show high business performance by generating more profit, cash flows and high return on sale and assets. To attain high business performance, learning orientation and relationship orientation are playing a very important role.

In the current era, a learning oriented corporate culture has increasingly been considered as the basis of superior corporate performance. Organizations that have

ability to learn about their consumers, rivals and regulatory bodies are considered as market focused organizations having mastery of the market sensing and customer linking capabilities [2]. A learning firm bears a particular focal point on the attainment of information which is absolutely meaningful for its survival. Sinkula *et al.* [3] put learning orientation as a core variable which along with three core values-commitment to learning, open mindedness and shared vision- affects the inclination to generate and exercise the knowledge. Therefore, these core values steer an organization's attitude to learn, adapt and survive [4]. In fact, learning organizations have improved strategies to deal with their customers and competitors, which ultimately lead to the greater profitability of the firm [5]. In the point of view of scholars, learning orientation has the ability (or capability) to build and maintain high quality and productive inter organizational relationships [1]. We can define relationship orientation as a mentality or attitude that affects the mind-set and intention of organizations [2, 6, 7]. Relationship orientation has also been defined as a firm's core values and beliefs that

enable employees to understand the dynamics of relationships and to develop relational behavioral norms [8]. Panayides [9] states relationship orientation as a philosophy of doing business successfully and as an organizational culture that puts the relationship orientation at the center of a firm's strategic and operational thinking. In the literature of marketing, management and strategy the theoretical evidence for the conceptual link between learning orientation and relationship orientation can be found [3, 10, 11]. However, very little attention has been paid in the investigation of relationship among learning orientation, relationship oriented behavior and business performance in the banking industry [12, 13]. Another issue is that these variables have not been addressed collectively in banking sector of Pakistan. So a need have been raised to see the impact of learning orientation and relationship orientation on the business performance. To the best understanding of the authors of this research work, this is the primary research of its kind in Pakistan that is going to address such particular topic. It is very crucial for the decisions takers of banking organizations to understand and scrutinize the role of learning orientation on business performance via relationship orientation. Therefore, the main aim of this study is to explore the relationship among learning orientation, relationship orientation and business performance in the banking industry of Pakistan. The research question of this study is: how learning orientation and relationship orientation are important for achieving high business performance? This study will help in adding knowledge to the existing body of literature by examining the impact of these variables in the banking sector of Pakistan. It will guide managers of the banks to understand the phenomena of learning orientation, relationship orientation that will help them to improve business performance. In this subsequent debate, this research paper reviews the literature that will lead to research hypotheses and methodology. Moreover, the empirical results of the study are presented and discussed. The end part of this research paper presents the discussions on research findings, managerial implications, outlines some inbuilt limitations and offers some directions for future research.

Literature Review and Theoretical Framework

Learning Orientation: Learning orientation is a process of transferring individual market information and knowledge to the organization so that it can be used by all the departments for performing better performance [3].

Learning orientation is a process of getting and distributing information about customer demands, marketplace fluctuations and rival activities across all departments of organizations [14]. Learning orientation enlightens satisfaction level of a firm about its assumptions and practices [15]. Farrell [16] examines that basis for competitive advantage is based on learning behavior. Organizations have to give utmost priority to learning orientation in managing practices. Learning orientation is important for the amplification of new techniques and technologies so that organization can create superior products and services than their competitors. The sub variables involved in the learning orientation are grouped into four main dimensions: 1) Commitment to learning portrays the causes and effects of its actions. 2) Open mindedness shows the link between the questioning of long held assumptions that is about the order of things and how these events occur. 3) Shared vision reveals the firm's interest in sharing the organization's view of objectives and priorities. Finally, 4) Inter organizational knowledge sharing assures learning to occur in the same direction and to motivate that it really takes place [2, 3]. Dickson [17] asserted that learning orientation is of great importance for gaining strong competitive edge. It enables an organization to sustain long run competitive advantage by bringing continuous perfection in new products and services more swiftly than competitors. Learning can be adaptive as well as generative. Dickson [17] further proposed that for gaining competitive advantage, adaptive learning is ample to bring improvements in planning, production and operations because in case of generative learning, there is a need to change and replace the fundamental theories, attitudes, assumptions and viewpoint. Learning orientation identifies opportunities for growth and facilitate over all organizational performance. Learning orientation capabilities are important principally for the survival of small sized firms when operate in unpredictable environment [18]. The study of Lopez, Peon, & Ordas [19] asserts that learning orientation is a process of formation, integration and assimilation of market information that is used to develop the capabilities of organization. Learning orientation promotes proactive loom rather than reactive approach. It means if any problem occurs, there is a need to modify firm's assumptions and theories rather than reacting to problem. Thus, learning orientation is the process of obtaining market facts about customers and opponents and then positively communicates it across all departments of the organization.

Relationship Orientation: Berry [20] put relationship marketing as “attracting, maintaining and enhancing customer relationships”. Gronroos [21] proposed it further to have a strong relationship with the customers and other parties at a profit by mutual exchange and fulfillment of promises. Later on Harker [22] put it as the process of engaging in proactively creating, interactive and profitable exchanges with targeted customers. Various authors have considered the relationship orientation as a multi-dimensional concept. Gruen [23] and Gronroos [24] put it as the philosophy of business. They started from production orientation to selling orientation and then to marketing orientation and ultimately to a relationship orientation. In the study of Panayides [9], the relationship orientation is categorized into five sub-factors including trust, bonding, communication, shared values and empathy. The importance of relationship marketing is reflected in the various advantages that have been attributed to it by prominent scholars and studies [25].

Business Performance: Business performance defined in terms of improvement of market share growth, profitability, sales, corporate performance and returns to the performance and overall investment [26]. In numerous previous studies, the relationships among the active return rate, growth in sales, new product success, increasing market share and profitability performance were found very strong and positive [27]. The measurement of business performance has primarily depends upon two general approaches that involved the use of either objective or subjective measures of performance [28]. The objective approach uses the absolute values of quantitative performance measures such as profitability, cash flow and market share. The second approach uses subjective measures of performance, where respondents are asked to state their companies’ performance on criteria like profitability and market share relative to that of their competitors [28]. In this research, the subjective measure of performance has been considered and is operationalized through return on assets, return on sales, general profitability and cash flows.

Linkage between Learning Orientation & Relationship Orientation: Learning orientation stimulates the organization’s willingness to acquire, disseminate and act to relevant information. Sinkula *et al.* [3] provided that learning orientation affects the obtention and dissemination of information. Likewise, relationship orientation has been described as a frame of mind or attitude that influences the mind set and goal of

organizations when engaging in relational behavior [2, 6, 7]. Jayachandran *et al.* [29] provided that customer relationship orientation is embedded in the firm’s overall culture aiming to direct the organization’s attitude towards the implementation of customer relationship management (CRM). Relationship orientation has also been defined as a firm’s values and beliefs that enable employees to understand the dynamics of relationships and therefore, assists in developing relational behavioral norms [8]. Baker & Sinkula [15] proposed that market data processing is required for an organization to become learning oriented. Learning orientation and relationship orientation are dependent on each another and both are associated with organizational culture and norms.

Linkage Between Learning Orientation & Organizational Performance: Khandekar & Sharma [30] provided that organizational learning is reflected out of human resource management practices and it is basic in enhancing the performance of the firm through teamwork, rapid new knowledge adoption, flexibility and HR learning strategies. Farrell [16] showed that leadership style and upper level management behavior have great influence on completion of learning orientation practices that in turn positively impact the business performance. The findings of Farrell [31] imply that learning in the organization can be improved by decentralization. In decentralization, flow of information is steady at all levels of organization; hence, it promotes team work, employee commitment and commitment to achieve the objectives. Moreover, firms are more learning oriented in chaotic markets, where there is a need to have an eye upon change in customer behavior along with latest technology and developments. As a result, learning orientation enhances the satisfaction level of both employees and prospective customers that leads to high profitability of the organization. The study of Zahid & Ali [32] showed positive and supportive relationship among learning orientation, innovation and organizational performance. Results suggest that there is a need to create a learning culture across all the departments of organization. Learning orientation boosts passion of innovation which in turn increases organizational performance.

Linkage Between Relationship Orientation & Organizational Performance: Relationship orientation refers to the positive creation, development and safeguarding of relationships with customers and other parties that would result in shared exchange and fulfillment of promises at a profit [22]. Strategically

speaking, relationship orientation has an enormous importance to the success of any business that builds a strong organizational culture and creating common ethics with customers. The importance of relationship marketing is reflected in the various advantages that have been attributed to it by prominent scholars and studies [33, 25].

Linkage between Learning Orientation, Relationship Orientation and Organizational Performance: There exists a conceptual link between learning orientation and relationship orientation that can be found in the marketing, management and strategy literature [3, 10, 11]. Day [2] provided that learning orientation has the quality to develop and maintain high-quality and productive relationships. All those firms who have learning orientation behavior towards their customers take the advantage of exchange of internal information with the customer [18]. Due to this propensity to learn about the customer that arises from learning orientation would eventually contribute to the development of relationship orientation. Thereafter, the process of interaction started from the transaction stage to a relationship stage [18]. Slater and Narver [5] provided that to maximize business performance, firms have to create a balance between adoptive and generating learning values by focusing on customer manifest and latent needs. Building strong relationship with more profitable or attractive clients positively impacts the business performance [34, 35]. Moreover, this positive impact of relationship orientation on business performance can be examined relative to competitors in one's market [36].

Mediating Role of Relationship Orientation Between Learning Orientation & Business Performance: Learning orientation and relationship orientation both are obligatory to gain sustainable competitive advantage and superior performance [2, 37]. Results of some studies

reveal that learning orientation is a key to gain superior performance only when it works in combination with relationship orientation [5, 16, 38]. Learning orientation generates current knowledge about customers, competitors, technological innovation and target markets and then communicates it across all the departments. While relationship oriented behavior enhances the abilities and capabilities of organization by adopting new ideas, latest technology in planning, production, processes and operations [15, 39]. Thus, relationship orientation mediates the relationship between learning orientation and organizational overall performance [15].

Hypotheses Development and Conceptual Model: Based upon the above literature, this study proposes the following hypotheses:

- H1: Learning orientation is positively and significantly related to relationship orientation.
- H2: Learning orientation is positively and significantly related to business performance.
- H3: Relationship orientation is positively and significantly related to business performance.
- H4: Learning orientation is positively and significantly related to business performance when relationship orientation acts as a mediator.

On the basis of the hypotheses, conceptual model has been shown in Figure 1

Research Methodology

Data Collection: All Commercial banks (national and foreign) of leading cities of Southern Punjab of Pakistan were selected for data collection. Data were collected from respondents in Jan and Feb, 2013. Total 300 questionnaires were distributed among different branches of Banks, 195 were returned back. Questionnaire was

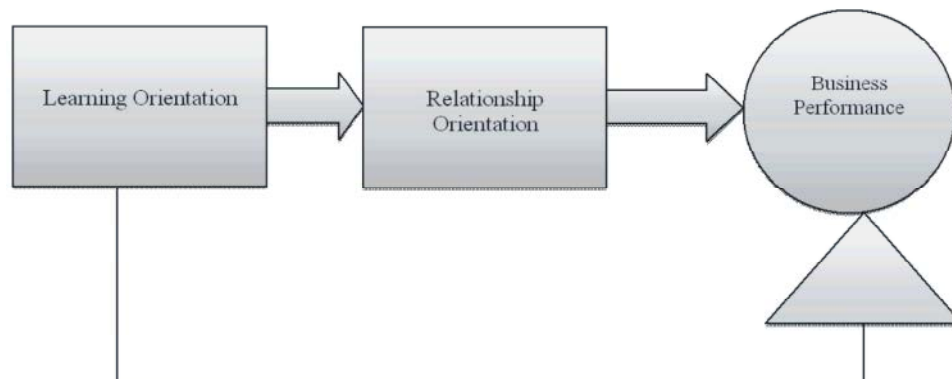


Fig. 1: Conceptual Framework

presented for data collection to Branch manager, Operations manager, Credit department manager, Human resource manager, relationship manager, trade manger, or assistant manager of each branch. Questionnaire was presented along with covering letter in U.S English version. There were four sections of questionnaire instrument. In first section, managers were required to provide demographic information that includes bank name, designation, age, sex, experience. Second section was about learning orientation. In second section, there were four sub sections representing four sub variables of learning orientation. Third section was about relationship orientation. In third section there were five sub sections representing five sub variables of relationship orientation. Fourth section was about organizational performance. In fourth section there was only one section representing four sub variables of organizational performance.

IBM SPSS 20 version has been used for factor analysis, correlation, regression analysis and reliability analysis of learning orientation, relationship orientation and organizational performance. A likert type scale ranging from 1 (strongly disagree) to 5 (strongly agree) was used for each variable.

Measurement Instrument

Relationship Orientation Measures: Relationship orientation was measured by using proposed scale of Panayides [9] having five dimensions including *empathy, trust, bonding, communication and shared values*. 18 items of five dimensions of relationship orientation have acceptable Cronbach's alpha values (0.93; 0.80; 0.80; 0.90 & 0.87) in the study of Panayides [9].

Learning Orientation Measures: Learning orientation construct was measured by using proposed scale of Panayides [9]. It has four dimensions that are commitment

to learning, shared vision, open mindedness & Intra-organizational knowledge sharing. 15 items of four dimensions of learning orientation have produced acceptable Cronbach's alpha values (0.82, 0.88, 0.82 & 0.81) in the study of Panayides [9].

Organizational Performance Measures: Organizational performance was measured by using 4items scale of Gunday, *et al.* [40] having acceptable Cronbach's alpha value (0.930).

RESULTS

Factor Analysis of Learning Orientation: Table-1 shows one factor solution of four dimensions of learning orientation (5 out of 15 items have been excluded because of low loading) explained 71.622% of total variance. Learning orientation has a significant and acceptable KMO that is 0.925. KMO value of greater than 0.50 is usually deemed to be significant and acceptable.

Factor Analysis of Relationship Orientation: Table 2 shows one factor solution of five dimensions of relationship orientation (4 out of 18 items have been excluded because of low loading) explained 63.049% of total variance. KMO of relationship orientation is 0.910 that is acceptable and significant.

Factor Analysis of Organizational Performance: Table 3 shows one factor solution of firm's performance (4items) explained 69.522% of total variance. Firm's performance has a significant KMO of 0.710.

Correlation and Reliability Analysis: The main aim of this study is to explore the relationship between learning oriented behavior, relationship orientation and business

Table 1: Factor Analysis of Learning Orientation

| Learning Orientation (KMO=.925) | Factor Loading |
|--|----------------|
| 1. Personnel in this enterprise realize that the very way they perceive the marketplace must be continually questioned | .971 |
| 2. There is total agreement on our organizational vision across all levels, functions and divisions | .964 |
| 3. All employees are committed to the goals of this organization | .955 |
| 4. Employees view themselves as partners in charting the direction of the organization | .946 |
| 5. There is a good deal of organizational conversation that keeps alive the lessons learned from history | .891 |
| 6. We have specific mechanisms for sharing lessons learned in organizational activities from department to department | .882 |
| 7. Top management repeatedly emphasizes the importance of knowledge sharing in our company | .792 |
| 8. Learning in my organization is seen as a key commodity necessary to guarantee organizational survival | .791 |
| 9. There is commonality of purpose in my organization | .684 |
| 10. The sense around here is that employee learning is an investment not an expense | .436 |
| Cumulative percentage of the variance explained (%) | 71.622 |

Table 2: Factor Analysis of Relationship Orientation

| Relationship Orientation (KMO=.910) | Factor Loading |
|--|----------------|
| 1. Both employees and Company keep in touch constantly | .940 |
| 2. Employees communicate and express their opinions to each other frequently | .930 |
| 3. Employees share the same opinion about most things | .920 |
| 4. Employees know how each other feels | .919 |
| 5. Employees always see things from each other's view | .912 |
| 6. Both employees and Company work in close cooperation | .909 |
| 7. Employees share the same world view | .863 |
| 8. Employees can show their discontent towards each other through communication | .836 |
| 9. Employees share the same feelings towards things around them | .808 |
| 10. Employees share the same values | .790 |
| 11. Both employees and Company try very hard to establish a long-term relationship | .572 |
| 12. Employees understand each other's values and goals | .509 |
| 13. Employees trust each other | .463 |
| 14. My company trusts employees | .454 |
| Cumulative percentage of the variance explained (%) | 63.049 |

Table 3: Factor Analysis of Business Performance

| Business Performance (KMO=.710) | Factor Loading |
|---|----------------|
| 1. Return on Assets | .955 |
| 2. Return on Sales | .937 |
| 3. General Profitability | .869 |
| 4. Cash Flow | .485 |
| Cumulative percentage of the variance explained (%) | 69.522 |

Table 4: Correlation & Reliability Analysis

| | Mean | S.D | α | LO | RO | BP |
|----|--------|--------|----------|----|--------|--------|
| LO | 4.2897 | .51433 | .946 | 1 | .510** | .865** |
| RO | 4.1244 | .53147 | .945 | - | 1 | .673** |
| BP | 4.2824 | .47912 | .829 | - | - | 1 |

Note: **Correlation is significant at the 0.01 level (2-tailed). (LO) is learning orientation, (RO) is relationship orientation, (BP) is Business performance

Table 5: Regression Analysis of Learning Orientation and Relationship Orientation

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | F | Sig. |
|-------|-----------------------------|------------|-------------------|----------------------------|---------|-------|
| 1 | .865a | .748 | .746 | .24131 | 571.780 | .000a |
| Model | Unstandardized Coefficients | | | Standardized Coefficients | t | Sig. |
| | B | Std. Error | Beta | | | |
| 1 | Constant | .827 | .146 | | 5.684 | .000 |
| | O. L. | .805 | .034 | .865 | 23.912 | .000 |

a. Dependent Variable: R. O. Note: O. L. = Organizational Learning, R.O= Relationship Orientation

performance; so we have used correlation analysis to find the relationship between these variables. Table 4 shows means, standard deviations and alpha and correlation values of all the study variables. Each factor of learning orientation and relationship orientation has been found in significant correlation with each other and with business performance ($p < 0.001$). Mean rating of each factor is above four, it means each variable is rated high. All the study variables have reliable and acceptable Cronbach's alpha values i.e. learning orientation ($\alpha = 0.946$), relationship orientation ($\alpha = 0.945$) and business performance ($\alpha = 0.829$).

Regression Analysis: Regression analysis has been carried out with the help of SPSS 20 to test the study's hypotheses. Results of Regression Analysis are shown in Tables-5, 6 & 7. As shown in Tables-5&6, Adjusted R^2 values are .746 and .256 which show that variation in relationship orientation and business performance is explained up to 74.6% and 25.6% respectively through variation in learning orientation. Standard regression coefficient between learning orientation and relationship orientation is significant ($\beta = .865$, $p < .001$) with significant T value (23.912, $p < .001$) and F value (571.78, $p < .001$). Standard regression coefficient between learning

Table 6: Regression Analysis of Learning Orientation and Business Performance

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | F | Sig. |
|-------|-----------------------------|------------|-------------------|----------------------------|--------|-------|
| 1 | .510a | .260 | .256 | .45846 | 67.701 | .000a |
| Model | Unstandardized Coefficients | | | Standardized Coefficients | | |
| | t | | | Sig. | | |
| | B | Std. Error | Beta | | | |
| 1 | Constant | 1.865 | .276 | | 6.747 | .000 |
| | O. L. | .527 | .064 | .510 | 8.228 | .000 |

a. Dependent Variable: B.P. Note: O.L. = Organizational Learning, B. F.= Business Performance

Table 7: Regression Analysis of Relationship Orientation and Business Performance

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | F | Sig. |
|-------|-----------------------------|------------|-------------------|----------------------------|---------|-------|
| 1 | .673a | .452 | .449 | .39434 | 159.385 | .000a |
| Model | Unstandardized Coefficients | | | Standardized Coefficients | | |
| | t | | | Sig. | | |
| | B | Std. Error | Beta | | | |
| 1 | Constant | .930 | .255 | | 5.684 | .000 |
| | R. O. | .746 | .059 | .673 | 12.625 | .000 |

a. Dependent Variable: B.P. Note: R. O.= Relationship Orientation, B. P.= Business Performance

Table 8: Mediation Analysis

| Model | | Unstandardized Coefficients | | Standardized Coefficients | | Sig. |
|-------|------------|-----------------------------|------------|---------------------------|--------|------|
| | | B | Std. Error | Beta | T | |
| 1 | (Constant) | 1.865 | .276 | | 6.747 | .000 |
| | orglerng1 | .527 | .064 | .510 | 8.228 | .000 |
| 2 | (Constant) | 1.022 | .253 | | 4.045 | .000 |
| | orglerng1 | -.294 | .108 | -.285 | -2.732 | .007 |
| | Rshipore2 | 1.019 | .116 | .919 | 8.810 | .000 |

a. Dependent Variable: busper3

orientation and business performance is also significant ($\beta=.510$, $p<.001$) with significant T value (8.228, $p<.001$) and F value (67.701, $p<.001$). Hence, hypotheses H1 and H2 are supported. Moreover, as shown in Table-7, Adjusted R^2 value is .449 which shows that variation in business performance is explained up to 44.9% through variation in relationship orientation. Moreover, Standard regression coefficient between relationship orientation and business performance is significant ($\beta=.673$, $p<.001$) with significant T value (12.625, $p<.001$) and F value (159.185, $p<.001$). Hence, hypothesis H3 is supported.

Mediation Analysis: Mediation analysis has been used to see the impact of independent variable (learning orientation) on dependent variable (business performance) in the presence of mediator (relationship orientation). Method suggested by Baron & Kenny [41] has been used to find out the effect of mediator. Method follows three steps. In first step regression was performed between independent variable (Learning orientation) and dependent variable (relationship orientation) that acted as

mediator. In second step regression was performed between independent variable (learning orientation) and dependent variable (organizational performance). In third step regression was performed between independent variable (learning) and dependent variable (organizational performance) in the presence of mediator variable (relationship orientation).

Results of mediation analysis showed that in first step as shown in Table-5, learning orientation is positively and significantly related to relationship orientation ($R^2=0.748$; $t=23.912$; $p<0.01$). In second step, as shown in Table-6, learning orientation is positively related to business performance ($R^2=0.260$; $t=8.228$; $p<0.01$). In the third step, relationship orientation is added into the overall model of learning orientation and business performance. The results indicate that standard regression coefficient in case of learning orientation has decreased in magnitude but still is significant ($\beta=-.285$, $p<.001$). Hence, relationship orientation partially mediates the relationship between learning orientation and business performance. Thus, hypothesis H4 is accepted.

DISCUSSION AND CONCLUSION

Business performance in the 21st century is directly tied to a company's ability to identify and serve its target markets. Through learning oriented corporate culture, businesses need to find new ways of relating to customers if they hope to maintain long-term business success. Keeping in view this threefold relationship between learning orientation, relationship orientation and business performance, this study examined to answer the research question: how learning orientation and relationship orientation are important for achieving high business performance in the banking industry of Pakistan? Firstly, empirical analysis demonstrates the significant and positive impact of learning orientation on relationship orientation and business performance. These findings are in accordance with the earlier researches [15, 16, 33, 34], which implies that learning orientation has the quality to develop and maintain high-quality and productive relationships with customers that are obligatory to gain sustainable competitive advantage and superior performance. Secondly, this study empirically shows the positive and significant impact of relationship orientation on business performance. This finding is also supporting the earlier work [35, 25] which strategically implies that relationship orientation has an enormous importance to the success of any business that builds a strong organizational culture and creating common ethics with customers. Finally, this study proved the partially mediating role of relationship learning orientation between learning orientation and business performance. This finding is also supporting the earlier work [5, 16, 40] which implies that learning orientation is a key to gain superior performance only when it works in combination with relationship orientation. Hence, both learning orientation and relationship orientation are fundamental for the attainment of business performance vigorously.

Theoretical Implications: Previous researches have been conducted to find out relationships among learning orientation, relationship orientation and organizational performance in different sectors [15, 41-43]. A few researches have been conducted in banking sector (12, 13). However market orientation and relationship orientation have not been addressed collectively. The current research has examined the impact of learning orientation on overall performance through relationship orientation first time in banking sector of Pakistan. Moreover, this study provides empirical evidence from developing world that

confirms the partial mediation of relationship orientation in the relationship between learning orientation and organizational performance.

Managerial Implications: Banking sector in the 21st century is facing toughest competition ever. Moving from a product-and-sales philosophy to a holistic marketing philosophy, however, gives them a better ability of connecting with their customer, thus outperforming the competition. Following a holistic learning orientation means understanding customers—taking a 360-degree view of both their daily lives and the changes that occur during their lifetimes so the right products are always marketed to the right customers in the right way at the right place and in right time. Therefore both orientations i.e. learning orientation and relationship orientation play imperative role. Hence, managers should have to facilitate the communication of learning information across all departments. Moreover, there is a need to increase degree of learning orientation through commitment to learning, shared vision, open mindedness and inter organizational knowledge sharing to improve the overall performance of Businesses. Managers should have to build relationship orientation in the form of trust, bonding, communication, shared values and empathy of organization and should use open minded techniques for problem solving. Also there is a need to develop organizational culture that heightens learning environment, cooperation and possession of latest market knowledge.

LIMITATIONS AND FUTURE RESEARCH

It was a cross-sectional study where all data were collected at a particular time, so variables and analysis is restricted to that particular time. Another limitation is that the target sample was related to one province of Pakistan i.e. Punjab and three other provinces have been ignored so it is not representative sample of whole population. Future study may scrutinize the role of learning orientation and relationship orientation on firm performance with the mediating role of organizational innovation in other sectors like small and medium enterprises, non for profit organizations, telecommunication sector and manufacturing sector.

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