

Workplace Learning Potential as a Mediator Between Psychological Safety and Strategy Implementation

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Abstract: Organisations are required to strategically renew to survive the competition and sudden shifts in the modern world. In addition to making the right choices, a successful strategic change entails implementation. However, strategy implementation often fails due to problems in communication and inadequate information sharing. This study conceptualizes strategy implementation as the concrete actions and interactions that employees participate during their everyday work. Consequently, implementing a new strategy demands that employees adapt to new actions and thinking – in other words, learning. Thus, the success of the implementation process depends on learning. A growing body of literature recognizes the importance of psychological safety in learning processes. Psychological safety fosters an environment of trust in which employees can voice their true opinions regarding the strategy and are not afraid to learn through trial and error. Yet, the current understanding of the relationships between strategy implementation (SI), learning potential of the workplace (LPW) and psychological safety (PS) is fragmented. Previous studies have recognized the significance of learning in organisational change and strategy process, but they suffer from vague definitions of learning. Furthermore, research on the relationship between strategy implementation and psychological safety is lacking. The aim of this multidisciplinary empirical study is to fill mentioned research gap and create an understanding of how these phenomena are connected by examining their relationships with quantitative methods, utilizing scientifically valid measures. The sample consists of Finnish working-age adults ($n = 1023$). A mediation model confirmed significant associations between 1) PS and SI, 2) LPW and SI, 3) PS and LPW, and 4) an indirect effect of PS on SI via LPW. Besides confirming prior findings and opening new insights, the results of this study can be applied in organisations to improve and build sustainable practices for strategy implementation, change management, learning, and to cultivate open communication and collaboration in teams.

Keywords: Strategy implementation, Learning potential of the workplace, Psychological safety, Organisational change

1. Introduction and Theoretical Background

Organisations must adapt constantly to survive. Effective strategy implementation benefits organisations as well as the employees. A successful change requires not only a well thought out strategic plan, but a well-executed implementation too, or the thoughtfully formulated strategy might not deliver the desired results (Noble, 1999). Despite previous studies recognizing the significance of learning in the strategy process (e.g. Crossan and Berdrow, 2003; Kenny, 2006) and the learning confirming traits of psychological safety (e.g. Edmondson, 1999; Kim et al, 2021), prior research examining strategy implementation (SI) and psychological safety (PS) is scarce, not to mention learning potential of the workplace (LPW) added in the equation.

SI refers to the process by which a strategy is systematically translated into concrete organisational actions aimed at achieving long-term strategic objectives (Whittington et al, 2023). The analysis of strategy through daily practices has gained increasing attention within the Strategy-as-Practice (SAP) stream (Vaara and Whittington, 2012). In this approach SI is not merely an administrative exercise, but a dynamic participatory process, that involves learning: engaging employees in practices that enable and are shaped by the strategy. As a result, interaction and communication between all levels of the organisation becomes significant. Indeed, prior studies recognize reasons for implementation failures as poor or inadequate information sharing (Hrebiniak, 2006) and problems in communication (Aaltonen and Ikävalko, 2002). Notably, Beer and Eisenstat (2000) state that the absence of open communication limits the organization's ability to implement strategy, in essence, to learn. In this study, SI is conceptualized as a collective level engagement in strategically aligned actions and interactions (Van Riel et al, 2009).

When learning is recognized as an invaluable organisational asset, fostering learning becomes a strategic priority for organisations (Nikolova et al, 2014). The discourse on workplace learning highlights the role of participation in workplace practices, where learning depends on the opportunities afforded by the workplace (Billett, 2004). Nikolova et al (2014) identify core components of work-based learning as interactional (learning from colleagues and supervisors) and task-based (learning through reflection and experimentation) learning.

Given that SI and LPW benefit from open communication and knowledge sharing, exploring their interaction with PS is relevant, as prior studies suggest it fosters these conditions. In essence, PS is a perception that the

benefits of speaking up outweigh the costs to the speaker and that making a mistake won't be used against you (Edmondson, 1999). It is this atmosphere of mutual trust and respect that enables more open communication, enhanced knowledge sharing and openness for learning experiences (Newman et al, 2017) – all of which can be seen as critical elements during strategic transitions.

Hence, the following hypotheses were set:

H1. Psychological safety predicts strategy implementation.

H2. Learning potential of the workplace predicts strategy implementation.

H3. Psychological safety predicts learning potential of the workplace.

H4. Learning potential of the workplace mediates the relationship between psychological safety and strategy implementation.

2. Research aim and Questions

The aim of the study is to explore the relationships between SI, LPW and PS and address gaps found in the previous research.

The study poses four research questions:

RQ1: Does psychological safety predict strategy implementation?

RQ2: Does learning potential of the workplace predict strategy implementation?

RQ3: Does psychological safety predict learning potential of the workplace?

RQ4: Does learning potential of the workplace mediate the relationship between psychological safety and strategy implementation?

3. Data and Methodology

Data were collected using an online questionnaire during April 2025. The study participants (n = 1023) were Finnish working-age adults. A correlation matrix and a mediation model were conducted to answer the research questions. The analyses were performed using Mplus software version 8.11 (Muthén & Muthén, 2017). The scales were as follows: SI (Van Riel et al, 2009), LPW (Nikolova et al, 2014) and PS (Edmondson, 1999). Reliability was assessed with Cronbach's alpha (SI $\alpha = 0.84$; LPW $\alpha = 0.85$; PS $\alpha = 0.83$). All measures were standardized to ensure comparability. The measures were translated into Finnish by the researchers and back into English by a native English-speaking professional translator to confirm the quality of the questionnaire. Descriptive statistics are reported in Table 1.

Table 1: Descriptive statistics

		<i>n</i>	%
Position (n = 1023)	Employee	808	79.0
	Manager	111	10.9
	Leader	104	10.1
Working mode (n = 1023)	On-site	608	59.4
	Remote	98	9.6
	Hybrid	317	31.0
Type of work (n = 996)	White collar	425	42.6
	Blue collar	377	37.9
	Combined	194	19.5

4. Preliminary Findings

First, Pearson correlations were calculated to examine associations among the variables (see Table 2). All variables were positively and statistically significantly correlated, supporting the theoretical assumptions.

Table 2: Correlation matrix (n = 1023, ***p<0,001)

Variable	1 SAB	2 LPW	3 PS
1 SAB	1.00		
2 LPW	0.391***	1.00	
3 PS	0.463***	0.473***	1.00

Second, a mediator model was conducted to test the presented hypotheses and to assess the mediating role of LPW in the relationship between PS and SI. Figure 1 displays the saturated mediator model ($\chi^2(0) = 0$, $p = 0$; CFI = 1.00; TLI = 1.00; RMSEA = 0.00). The analysis revealed that both LPW ($\beta = 0.221$) and PS ($\beta = 0.359$) significantly predicted SI and that PS significantly predicted LPW ($\beta = 0.473$). There was also a statistically significant indirect effect of PS on SI via LPW ($\beta = 0.105$, 95% CI [0.077, 0.135], $p < 0.001$), supporting the presence of partial mediation. The total effect of PS on SI was also significant ($\beta = 0.463$). Therefore, all four hypotheses were supported. The model explained 25.2 % of the variance in SI and 22.4 % of variance in LPW. Results of the mediation analysis are displayed in Table 3.

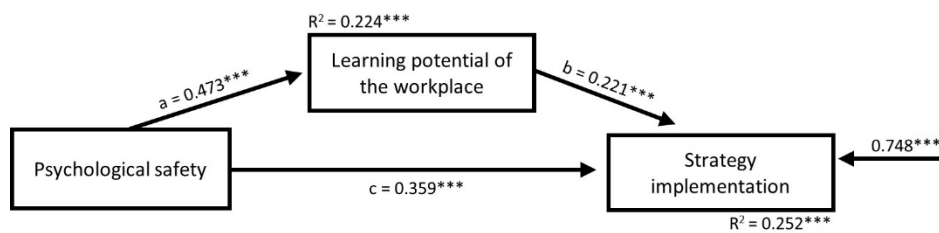


Figure 1: Mediation model (n = 1023, ***p<0.001)

Table 3: Results of the mediation analysis

Effect	Path	β	S.E.	95 % CI		p
				Lower	Upper	
Total	PS -> SI	0.463	0.028	0.417	0.519	<0.001
Indirect	PS -> LPW -> SI	0.105	0.018	0.071	0.140	<0.001
Direct	PS -> SI	0.359	0.032	0.298	0.421	<0.001

5. Conclusion and Contribution

All hypotheses were statistically supported: both PS and LPW predicted SI as well as PS predicted LPW. In addition, a partial mediation was confirmed between PS and SI via LPW. These findings indicate that PS enhances SI not only directly but also indirectly through increased LPW. In addition to acting as a mechanism linking PS to SI, LPW can strengthen SI independently. These results reinforce extant work (Kim et al, 2021) while contributing novel empirical findings. Consequently, fostering trustful and respectful environment, along with providing working conditions that support learning through interaction, experimentation and the acceptance of mistakes, both appear as core components in facilitating strategy implementation. Moreover, promoting psychological safety appears to be critical in advancing learning opportunities of the workplace.

In practice, managers play an instrumental role in cultivating PS by leading through example, encouraging participation and normalizing mistakes as opportunities to learn (Althammer et al, 2025), while consistently aligning their words and actions. Furthermore, employees should be provided with opportunities to reflect, experiment and engage in discussions about their work tasks with both colleagues and supervisors (Nikolova et al, 2014).

Future research could explore possible moderation and group differences (e.g. working mode and type of work) in associations between SI, PS and learning. Following analyses should replicate the model with latent constructs to assess the quality of measurement and for better theoretical validity (Kelloway, 2015). Moreover, subsequent studies should consider qualitative methods to explore the underlying mechanisms between strategy implementation, learning and psychological safety in greater depth.

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