



Organizational learning and strategic capability: A study of telecommunications firms in Port Harcourt

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ABSTRACT

This research investigated the relationship between organizational learning and strategic capability of telecommunication firms in Nigeria using cross-sectional research survey. Five telecommunication firms were surveyed with simple random sampling. Two hundred and two participants represented the accessible population. Sample size of one hundred and thirty-four was determined from the accessible population. Pearson Product Moment Correlation Coefficient (rs) was employed to analyze the research hypotheses with the aid of IBM SPSS 22.0. Copies of questionnaire was to collect data. One hundred and thirty-four copies were administered to the participants while one hundred and twenty-three copies were filled correctly and found valid for analysis. The study found that organizational learning has significant positive correlation with strategic capability of telecommunication firms. Specifically, it was found that exploitative learning has significant positive relationship with technological capability; explorative learning has significant positive relationship with marketing capability. One of the implications of this study is that managers of telecommunication firms should ensure that learning is embedded in their organizational culture so that whenever there is external turbulences, they would be able to learn from the previous experiences and remain relevant in their businesses.

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INTRODUCTION

Every firm strives to survive in the midst of turbulent environment so as to maintain leadership in their industry. This actions are necessary because; firms that does not prepare for uncertainty has plan to fail. Thus, the features that will enable firms to succeed in the turbulent ocean is strategic capability. Strategic capability is the fuel that powers the engine of progressive organization. It is also the lubricant of ailing organizations especially in this era of covid-19 pandemic where most firms are exiting from different industries as a result of their unpreparedness. In line with the above, strategic capability is very significant to organizational survival and sustainability. Chepkole and Deya (2019, p.107) added that with strategic capability, firms can be rest assured of the nest business exchange. It has been shown that; firms that are driven by information communication technology can only survive if they possess capability antenna.

From the above contributions, Hareebin et al. (2018, p.120) maintained that firms that want to make positive progress in an intense industry competition would succeed through strategic capability. In addition, Chepkole and Deya (2019, p.107) opined that strategic capability is a propeller to organizations that are in conquest with a competitor for market dominance. Based on the above submission, it does appear that the research is very important especially at this time of post covid-19 pandemic where many organizations are struggling to survive and re-bounce from the global economic shock of coronavirus. Strategic capability represent the strength of firm to withstand competitors in the industry. Thus, the ability to willingly deploy these strengths rests on the shoulder of the strategic personnel appointed by the organization. The choice of telecommunication firms in this study is because they play signing play significant role in the development of the society through the provision of social amenities and creation of job opportunities to the society at large. Statistical index has shown that telecommunication industry contributed 7.7% in 2012 to Nigeria's GDP; and in 2013, it dropped slightly to 7.4%, but moved up in 2014, with 7.6% GDP (Okonji, 2020). In 2015, the industry contributed 8.5% with another increase of 9.13% in 2016; 8.7% in 2017, and 9.9% in 2018 (Okonji, 2020). In 2019, telecommunication sector contributed 10.6% and in the second quarter of 2020, it contributed 14.3%, and 17% in 2021 (Adepetun, 2021). Again, telecommunication industry is intensely competitive that if one is not strategically positioned, the door of exit would be waiting for them in a twinkling of an eye.

Nevertheless, in order to put on strategic anchor of capability, telecommunication firms must have learnt from their past experiences, the adverse effects of external turbulence on profitability and commitment. This is where organizational learning comes to play. Organizations learns from their mistake and get prepared for unforeseen circumstance they may likely surface in the near future. Hence, without learning from the previous circumstance, firms would not have the required instruments to withstand future occurrence of uncertainties. Studies has shown that organizational learning is a predictor of organizational competitiveness, innovativeness, creativity and resilient (Otioma, 2022, p.12; Aderibigbe et al., 2020, p.84). Organizational learning have proven to enhance the strategic anchors of multinational companies. Adding strength to this assertion Mohamed and Otman (2021, p.8) accentuate that firms with learning culture has an advantage over those that does not have the ability to learn from their mistakes or negligence.

In line with the above, telecommunication firms operating in Nigeria's business environment are finding it very difficult especially in the aftermath of covid-19 pandemic where most of them are learning new ropes that would keep them afloat. On the one hand, telecommunication firms are gradually building their capabilities through organizational learning orientations using exploitative and exploration learning dimensions. In terms of survival, telecommunication firms do explore new ways of reaching out to customers by following prescribed covid-19 protocols. These measures has attracted criticisms from the customers who for the first time are expected to practice social distancing when they come with challenges facing their communication channels. To meet customers' service request, telecommunication firms have to exploit more resources to educate their customers on the need to exhibit covid-19 protocols whenever they come for their problems to be solved and whenever they are in the midst of other people. Thus, telecommunication firms are making efforts to bounce back from the pandemic by learning new rules, methods, processes that would strengthen their strategic capability for their sustainability.

Based on the above argument, prior studies on organizational learning have been documented (Chen & Zheng, 2022, p.10; Mohamed & Otman, 2021, p.10; Aderibigbe et al., 2020, p.84; Francesca et al., 2020, p.6); but it does appear that none of them investigated its relationship with strategic capability in telecommunication firms as study scope. This is what motivated the researchers to investigate the relationship between organizational learning and strategic capability in telecommunication firms in Port Harcourt, Nigeria.

OBJECTIVES OF THE STUDY

The main objective of this study is to investigate the relationship between organizational learning and strategic capability in telecom companies in Port Harcourt, Nigeria. The specific objectives are to:

- 1) investigate the association between exploitative learning and technological capability in telecom firms in Port Harcourt
- 2) examine the correlation between explorative learning and marketing capability in telecom companies in Port Harcourt

From the specific objectives, the following null hypotheses were formulated.

HO1: exploitative learning has no significant relationship with technological capability in telecom firms in Port Harcourt

HO2: explorative learning has no significant association with marketing capability in telecom companies in Port Harcourt.

LITERATURE REVIEW

Organizational learning has dominated management and industrial literature as a result of its relevance to firm sustenance. Meanwhile, several scholars have dissected the concept with emphasis on its continuous emergence especially in terms of uncertainties (Chen & Zheng, 2022, p.8; Otioma, 2022, p.7). Organizational learning is a continuous process of acquiring new strategies and methodologies that would give organizations the edge to compete with their rivals in the same industry. Hsu and Cheng (2017, p.33) added that, organizational learning is concerned with firms' readiness to adapt to change that is triggered by uncertainties from the external environment. It has been shown that for organization to learn, it must be prepared to receive shock not prepared for (Otioma, 2022, p.12; Nicolletti et al., 2019, p.750). In support of the above, Werlang and Rossetto (2019, p.10) opined that firm that is willing to learn from its mistake is also ready to lead others that are not prepared for financial and societal disasters. Panayides (2007, p.71) revealed that for organizations to overcome competitive temptation, they must learn the rudiments of predictor before they can survive; otherwise, their prey would swallow them as predictor. What this implies is that; organizations in telecommunication industry need to adapt and occupy their space in the industry by learning new ropes of service and product enhancement to keep customers abreast with latest trends in their respective industry. Weed-Schertzer (2020, p.95) argue that learning new rope is essential for survival and sustenance. This assertions has given credence to the significance of this study as stated earlier in the introductory stage. Previous studies revealed that organizational learning predicted other organizational variables. Mohamed and Otman (2021, p.12) explored the link between organizational learning and transformational leadership and discovered that explorative learning has significant link with transformational leadership. Werlang and Rossetto (2019, p.15) examined the effect of organizational learning on organizational performance in the service sector and found that workplace learning has significant positive effect on the performance of the organization. Chen and Zheng (2022, p.13) investigated the influence of workplace learning on the performance of service enterprises in China. After analysis, they found that workplace learning has significant influence on dynamic capability as well as enterprise performance. Giancarlo and Rafaele (2017, p.167) examined organizational learning capability and performance of small and, medium enterprises and, found that organizational learning capability has significant association with innovative performance of small and medium enterprises.

Strategic capabilities refer to organizations knowledge that gives them advantage against competitors (Gatama & Kavindah, 2022, p.37). Thus, the knowledge to redesign, modify products and remodel services constitute strategic capability. In another perspective, strategic capabilities is termed firm's competence and resources that gives them edge to grow and thrive in the industry (Anderson, 2017, p.90). Having sufficient resources may not mean that firms are doing well but it is the ability to utilize such resources in maintaining leadership in the industry. Meanwhile, competencies that are rare and distinct makes firms different from others thereby giving them apparent scope to turn weakness into strength. Strategic capabilities can also be viewed as the ability of a company to utilize its competitive advantage for growth (Gatama & Kavindah, 2022, p.38; Kimosop et al., 2015, p.30). It has been shown that strategic capabilities is organization's asset used to exploit resources to gain competitive advantage (Vesalainen & Hakala, 2014, p.945). Vogel and Güttel (2013, p.432) stated that organization's structure, leadership and technology are capabilities for strategic positioning.

Scholars have validated the dimensions of strategic capability to include marketing capabilities, technology capabilities, market sensing capabilities, management capabilities and, information technology capabilities (Desarbo et al., 2005, p.52); human resources and physical resources (Morgan et al., 2004, p.98; Ainuddin et al., 2007, p.50); market linking capability, technology capability, marketing capability, management capability (Parnell, 2011, p.140). In this study, technological capability and marketing capability was used. This is because telecommunication firms are usually faced with intense competition amongst rivals in terms of technology and marketing principles. Marketing capabilities encompasses marketing skills in targeting and segmenting markets, promotion and, pricing strategies that would position firms to the maturity stage of product life cycle (Desarbo et al., 2005, p.56). Technological capability is firm's capacity to deploy technological resources in the functional areas of management for the purpose of creating customer value. This include the ability to develop new methods, processes and structures that promote the performance of goods and services.

Prior studies on strategic capability revealed that it predicted several dependent variables as shown in this section. Lu-Jui et al. (2008, p.117) examined strategic capabilities, innovation intensity, and performance of service firms and found that innovation has significant relationship with firm performance. Hareebin et al. (2018, p.122) examined creating sustained strategic capabilities through organizational dynamic capabilities and strategies in Thailand and found that strategic capabilities predicted organizational dynamic strategies positively. Chepkole and Deya (2019, p.108) investigated the effect of strategic capability on competitive advantage of ICT firms in Kenya and found that strategic capability has significant positive effect on competitive advantage.

RESEARCH METHODOLOGY

A research design employed in this study is cross-sectional survey that support the use of questionnaire to collect data from the participants for a short period of time (Sekaran & Bougie, 2016, p.104). The target population for this study is telecommunication firms operating within Port Harcourt Metropolis, Nigeria. On the other hand, the accessible population comprises of five (5) selected telecommunication firms in Port Harcourt. Two hundred and two (202) participants represent the accessible population of this study. Meanwhile, a sample size of 134 was determined with Krejcie and Morgan (1970, p.608) sample size determination table. Copies of questionnaire was used to collect data. The instrument was divided into three sections. Section 'A' contains the profiles of the participants; section 'B' contains the research questions on organizational learning; while section 'C' contains research questions on strategic capability. Organizational learning was measured with 8-items and strategic capability with 8-items respectively. Measurement scales employed was five-point Likert scales ranging from 5=*Strongly Agree and*, 1=*Neither Agree Nor Disagree*. Face validity was used to determine the validity of the instrument. Apart from the above, Cronbach α test was carried out to measure the consistency of the instrument used for data collection. Cronbach α results showed that exploitative learning has α coefficient of .74; explorative learning .078; technological capability 0.82; and marketing capability .086 respectively. Pearson Product Moment Correlation Coefficient (PPMC) was used to analyze the formulated research hypotheses. IBM SPSS 22.0 was used as the statistical software. In terms of questionnaire administration, one hundred and thirty-four (134) copies were distributed to respondents while one hundred and twenty-three (123) copies were correctly filled and, found valid for analysis.

RESULTS AND DISCUSSION

Table 1: Respondents Profiles

Demographic	Frequency	Percentage (%)
Gender		
Male	85	69.1
Female	38	30.9
Age Bracket		
46 years & above	50	40.7
36-45 years	48	39.0
18-35 years	25	20.3
Educational Background		
Secondary	10	8.1
Ph.D degree	3	2.4
Master degree	18	14.6
Diploma certificate	34	27.6
Bachelor degree	58	47.2

Source: Field Survey (2021)

Result of gender distribution showed that 85 respondents representing 69.1% are males while 38 respondents representing 30.9% are females. This implies that males are of great number in telecommunication as at the time this study was carried out. Age bracket results showed that 50 respondents representing 40.7% are within the age bracket of 46 years and above; 48 respondents representing 39.0% are within the age bracket of 36-45 years; and 25 respondents representing 20.3% fall within 18-35 years. Educational background of the respondents revealed that 10 participants representing 8.1% have acquired secondary education; 3 participants representing 2.4% are holders of Ph.D degree; 18 participants representing 14.6% hold Master degree; 34 participants representing 27.6% are holders of Diploma certificates; and 58 participants representing 47.2% are Bachelor degree holders.

Table 2: Hypothesis one result

		Correlations	
		Exploitative learning	Technological capability
Exploitative learning	Pearson Correlation	1	.830**
	Sig. (2-tailed)		.000
	N	123	123
Technological capability	Pearson Correlation	.830**	1
	Sig. (2-tailed)	.000	
	N	123	123

** . Correlation is significant at the 0.01 level (2-tailed).

From table 2 above, exploitative learning has significant positive relationship with technological capability (.000<0.01). The result also have high correlation (.830**) implying a strong agreement between exploitative learning and technological capability. Since probability value of .000 is less than the benchmark of 0.01, the null research hypothesis is hereby rejected and, alternate research hypothesis accepted.

Table 3: Hypothesis two result

		Correlations	
		Explorative learning	Marketing capability
Explorative learning	Pearson Correlation	1	.870**
	Sig. (2-tailed)		.000
	N	123	123

Marketing capability	Pearson Correlation	.870**	1
	Sig. (2-tailed)	.000	
	N	123	123

** . Correlation is significant at the 0.01 level (2-tailed).

Result of hypothesis two revealed that explorative learning has significant positive relationship with marketing capability. It can be deduced from the table that $p < 0.01$ meaning that the level of significance (.000) is less than 0.01. It is against this assumption that the null research hypothesis is rejected and, the alternate research hypothesis accepted. This implies that as telecommunication firms explored new ways of survival, their marketing capability would be strengthened.

Results of analyzed hypotheses revealed that organizational learning has significant positive association with strategic capability of telecommunication firms. Specifically, it was discovered that exploitative learning has significant and, positive relationship with technological capability; explorative learning also has significant positive relationship with marketing capability. These findings were in line with prior studies such as Mohamed and Otman (2021, p.5); Werlang and Rossetto (2019, p.10); and Giancarlo and Rafaele (2017, p.168). The study carried out by Mohamed & Otman (2021, p.12) showed that explorative learning has significant link with transformational leadership. On the other hand, Werlang and Rossetto (2019, p.17) investigation on organizational learning and innovativeness revealed that workplace learning dimensions has significant positive effect on innovation. Lastly, Giancarlo and Rafaele (2017, p.7) result on organizational learning capability and performance showed that organizational learning capability significantly predicted innovative performance SMEs.

CONCLUSION AND RECOMMENDATION

The major objective of this research was to investigate the significant relationship between organizational learning and strategic capability of telecom companies in Nigeria. After analyzing the data, the results of the study revealed that organizational learning correlated with strategic capability. It is based on this results that this study concluded that, organizational learning that is anchored on exploitative and explorative learning enhances the strategic capability of telecommunications. Thus, organizational learning has been found to strengthen the strategic capability of firms by exploring new approaches of operations and exploiting new opportunities with available resources. Thus, the implications of this study is that managers of telecommunication firms should ensure that learning is embedded in their organizational culture so that whenever there is external turbulences, they would be able to learn from the previous experiences and remain relevant in their businesses. In addition, business practitioners should inculcate organizational learning dimensions; exploitative and exploration learning through seminars and workshops to enhance their strategic capability.

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