

Concomitant Interface of Entrepreneurial Orientation and Organisational Learning in the Manufacturing Industry

Ukonu, Ifeanyichukwu Ojeka

Dept. of Industrial Relations and Personnel Management,
College of Management Sciences,
Michael Okpara University of Agriculture Umudike,
Abia State, Nigeria
bobify@yahoo.com

Obi, Chinwendu Vera

Dept. of Agribusiness and Management,
College of Agricultural Economics,
Rural Sociology and Extension,
Michael Okpara University of Agriculture Umudike,
Abia State, Nigeria
Veradezy@hotmail.com

Prof. Emerole, Gideon A.

Dept. of Business Administration,
College of Management Sciences,
Michael Okpara University of Agriculture Umudike,
Abia State, Nigeria
ahamgee@gmail.com

Abstract

In recent times, globalization, information, communication, technological changes and associated volatility of the environment have led to increase in intensity of competition among firms as they search for interminable ways to achieve competitive advantage and sustain the lead. What separates the developed nations from third-world nations lies in their rate of industrialization. Thus, this paper examines the crossing-point between entrepreneurial orientation and organisational learning in the manufacturing industry a case of Saclux Industries Nigeria Limited, Abia state. Consented respondents were administered questionnaires. Data collected was keyed into SPSS20 and analysed with multiple regression and correlation to ascertain the degree of relationship and ANOVA to test the effect of the Organisational learning (OL) on Entrepreneurial orientation (EO). The results indicate a positive correlation between OL and EO. Furthermore, Organisational learning had a moderating effect on EO which had a significant effect on each component of EO (risk-taking, proactiveness, innovativeness, competitive aggressiveness and autonomy) independently and jointly with a resultant positive effect on Organisational performance. Consequently, the study infers that more attention be paid to knowledge acquisition, dissemination and shared implementation in both Small, medium and large scale industries if organisations are to survive the dynamic, turbulent and competitive environment in which businesses operate.

Keywords: *Entrepreneurial orientation, risk-taking, proactiveness, innovativeness, competitive aggressiveness, autonomy, organisational learning*

1. INTRODUCTION

In recent times, the dynamism of the business environment, globalization, changes in consumers' taste, behaviour and cultural orientation and increasing intensity of competition among organisations has leaped out the reason behind the interminable search for ways to gain a sustainable competitive advantage and maintain the lead. As observed by Jamali et al (2009) modern Organisations have no choice but to adapt to these changes in the environment or face the risk of extinction. Admittedly, a distinguishing feature between a developed nation and under developed or developing nations is the rate of industrialization. Industrialization is described as the movement towards higher-value economic activity in manufacturing, services and 'industry' characterised by the use of technology, its continuous upgrade and its diffusion across society (Usman, 2015). In general the Industrial sector is said to comprise manufacturing, mining, services and construction, with the manufacturing sector presenting greater opportunities for sustained growth, employment and poverty reduction in Africa (UNCTAD and UNIDO, 2011; Rowden, 2013; Whitfield et al., 2015). The vehicle which will move the manufacturing sector to a desired destination of turning Nigeria into a super and developed country in the nearest future will have to drive through the route of entrepreneurship and entrepreneurial orientation. In fact, antiques have traced the history of great wealth and great failure to entrepreneurship and the development of new businesses (Paton & McCalman, 2008, Griffin, 2002).

Onyema (2014) posits that Entrepreneurship is a hot topic in our contemporary times which invariably features frequently in discussions among policy makers, academic researchers and in everyday talk shows (Cotis 2007). Studies have shown that one of the aspects of entrepreneurship that has become topical these days as most established and researched constructs in the domain of entrepreneurship is Entrepreneurial orientation (EO) (Wales 2015 & 2013, Covin, 2011, Covin, Greene, & Slevin, 2006) and which has received an extensive amount of theoretical and empirical attention (Covin, Greene, & Slevin, 2006). Regardless of the importance accorded to EO in explaining how firms develop and exploit business opportunities through engaging in entrepreneurial activities, Covin and Lumpkin (2011) argues that extant research on entrepreneurial orientation has been criticized for neglecting Organisational learning capability and knowledge creation, thereby falling short of explaining the processes through which growth is achieved. Imperatively, studies have shown that Organisational learning (OL) has positive impact on Entrepreneurial orientation (Eggers et al 2015; Wang et al. 2015; Onyema, 2014; Chiva et al, 2013; Zahra, 2012). Scholars argue that the analysis of learning has become an increasingly important aspect of entrepreneurship research (Hakala 2011; Wang 2008). Similarly, Lumpkin (2011); Zhao et al. (2011) suggest that learning has been considered from a strategic perspective, as a strategic resource and a key contributor to the competitive advantage of small firms.

Some studies have suggested that the relationship between EO and a firms performance could be curvilinear or non-linear (Kreiser et al, 2013, Schillo, 2011) indicating that at a point, the positive effect of EO could be negative. In the light of the above, this study seeks to examine the five components of entrepreneurial orientation, viz. risk taking, innovativeness, proactiveness, competitive aggressiveness, and autonomy and moderating effect of Organisational learning on these components independently and jointly with regards to organisational performance in the manufacturing Industry in Nigeria. Moreover, it seeks to explicate how organisational learning as

a moderating variable could help booster performance and entrepreneurial skills individually and as a team in the manufacturing industry in the midst of intense competition and strive for organisational sustainability, especially the medium scale industry where quality determines customer's patronage.

Objectives of This Study

Basically, the main objective of this study is to determine concomitant interface of entrepreneurial orientation and organizational learning. Equally, this study aims to identify whether any significant relationship exist between organisational learning and components of Entrepreneurial orientation namely: risk taking, innovativeness, proactiveness, competitive aggressiveness, and autonomy and organisational learning both independently and jointly.

2.0 DEFINITION OF CONCEPTS AND REVIEW OF RELATED LITERATURE

2.1 Entrepreneurial Orientation

Entrepreneurial orientation (EO) has become one of the most established and researched constructs in the entrepreneurship literature (Wales, 2015; Onyema, 2014; Covin et al, 2011). In the academic literature, EO refers to the extent to which a firm is entrepreneurial (Schillo, 2011). Assessments of majority of previous work on Entrepreneurial Orientation (EO) definition and literature was based on Miller's (1993) work (Wales, et al 2013; Schillo, 2011; Rauch, et al, 2009) in whose perspective EO is seen as the combination of innovativeness, proactiveness, and risk-taking (Wales, et al 2013; Rauch, et al, 2009). Although this has been further developed by Colvin and Slevin (1989) as stated by Schillo (2011); the construct has further been expounded and augmented by Lumpkin and Dess (1996) who offered an alternative perspective of EO as the combination of five dimensions, such as those put forth by Miller/Covin and Slevin as well as competitive aggressiveness and autonomy. Furthermore, Lumpkin and Dess (1996) suggested that additional insights stand to be gained from investigating the dimensions independently. But Entrepreneurial Orientation (EO) has been defined by Anderson et al, (2009) as a firm-level strategic orientation which captures an Organisation's strategy-making practices, managerial philosophies, and firm behaviours that are entrepreneurial in nature. Also, Entrepreneurial orientation can be referred to as a multifaceted construct, applied at the strategic/ organisational level of a firm, which capsulates the entrepreneurial behaviour of a firm and includes one or a combination of risk-taking, innovativeness, proactiveness, competitive aggressiveness and autonomy.

Schillo (2011) asserts that a number of studies have shown that EO has a curvilinear relationship with performance, suggesting that the positive impact of EO levels off or even becomes negative beyond a certain threshold. Furthermore, she posited that other studies report specifically testing for the curvilinear relationship and not finding a significant impact. The implication of this assertion is that they might be some moderators that could probably have caused the curvilinear relationship which could be U-shaped.

Kreiser et al (2013) study showed that Innovativeness and proactiveness displayed predominantly positive U-shaped relationships with SME performance. Risk-taking, however, displayed a predominantly negative U-shaped relationship with SME performance. Naldi, et al (2007) in their study on entrepreneurial orientation, risk taking, and performance in family firms found out that risk taking is a distinct dimension of entrepreneurial orientation in family firms and that it is positively associated with proactiveness and innovation. Moreover, they discovered

that non family members take more risks than family members and that risk taking in family firms is negatively related to performance.

2.2 Components of Entrepreneurial Orientation

2.2.1 Risk-taking

Risk taking refers to the tendency to engage in bold rather than cautious actions (Schmitz, 2012). Schillo (2011) asserted that risk taking was historically a key characteristic associated with entrepreneurship which originally referred to the risks individuals take by working for themselves rather than being employed.

2.2.2 Proactiveness

Proactiveness describes the characteristic of entrepreneurial actions to anticipate future opportunities, both in terms of products or technologies and in terms of markets and consumer demand (Schillo, 2011). A proactive Organisation is one that adopts an opportunity-seeking perspective. Such Organisations act in advance of shifting market demand and are often either the first to enter new markets or “fast followers” that improve on the initial efforts of first movers (Schmit, 2012).

2.2.3 Innovativeness

Innovativeness relates to tendency of a company to create or introduce new products and services into the market. Innovativeness is the tendency to pursue creativity and experimentation. It may require revamping existing skills to form a distinct product or service or entirely making an existing skill obsolete and bringing up brand-new skills. In the context of EO, innovativeness is defined more narrowly, emphasizing the importance of technological leadership to the company, as well as changes in its product lines (Schmitz, 2012).

2.2.4 Competitive Aggressiveness

Competitive aggressiveness refers to the company’s way of engaging with its competitors, distinguishing between companies that shy away from direct competition with other companies and those that aggressively pursue their competitors’ target markets (Schillo, 2011). Aggressive moves can include price-cutting and increasing spending on marketing, quality, and production capacity (Schmitz, 2012).

2.2.5 Autonomy

Autonomy “refers to the independent action of an individual or a team in bringing forth an idea or a vision and carrying it through to completion” (Schmitz, 2012; Lumpkin and Dess, 1996) without being held back by overly stringent Organisational constraints (Schmitz, 2012; Schillo, 2011).

2.3 Organisational Learning

Several researchers have defined the concept Organisational learning (OL) in different ways. The construct has come to assume critical importance in modern management literature (Onyema, 2014). It has indeed come to be one of the most promising concepts in strategic management since the late 1980’s and has been linked with other key constructs such as innovation (Skerlavaj and Dimovski 2006; Nolas 2006; Huber, 1996) (all cited in Onyema, 2014). Argyris and Scho’n (1978) proposed the term ‘Organisational learning’ to refer to an Organisation’s adaptability to a

changing environment. Organisational learning theory deals with how learning takes place in Organisations. Armstrong and Taylor (2014) purported that OL theory focuses on collective learning but takes into account the proposition made by Argyris (1992) that Organisations do not perform the actions that produce the learning; it is individual members of the Organisation who behave in ways that lead to it, although Organisations can create conditions that facilitate such learning. In other words, the concept of Organisational learning as proposed by Armstrong and Taylor, (2014) recognizes that the way in which this takes place is affected by the context of the Organisation and its culture.

Organisational learning according to Easterby-Smith and Lyles (2003) is considered to focus on the process of the knowledge that an Organisation acquires, creates, processes and eventually uses. Organisational learning is concerned with the methods adopted by Organisations to promote learning as Armstrong and Taylor (2014) argued that it is not simply the sum of all the Learning and Development activities that are carried out in an Organisation but could be described as the process of creating, retaining, and transferring knowledge within an Organisation. An Organisation improves over time as it gains experience. They further explained that is the acquisition and development of knowledge, understanding, insights, techniques and practices which aims to facilitate performance improvement and major changes in strategic direction. Grieves (2003) opined that Organisational learning provides a flexible solution to the demands of contemporary Organisations; which in his opinion represents the Organisational responses to turbulence by creating solutions to the daily routine of unforeseen events that create everyday problems.

Organisational learning can be categorized as a complex three stage process comprising knowledge acquisition, dissemination and shared implementation (Armstrong and Taylor, 2014). It is worthy to note here that acquisition of knowledge alone does not imply Organisational learning. This can be likened to a person who learnt how to bake cake in theory but in practice has never baked cake. Such a person cannot be said to have mastered how to bake or a self-acclaimed driver who learnt the acts of driving in theory but has not at any point in time put a key into the ignition to start a car. King (2009) related OL to Knowledge management (KM) which he referred to as a set of relatively new Organisational activities that are aimed at improving knowledge, knowledge-related practices, Organisational behaviours and decisions and Organisational performance. Consequently, KM focuses on knowledge processes such as knowledge creation, acquisition, refinement, storage, transfer, sharing and utilization and these activities form the bedrock of Organisational learning. These processes as posited by King (2009) support Organisational processes involving innovation, individual learning, collective learning and collaborative decision-making. He further reiterated that the intermediate outcomes are improved Organisational behaviours, decisions, products, services, processes and relationships that enable the Organisation to improve its overall performance.

At inception, of an organisation, organisational learning can be said to be synonymous with individual learning but as the organisation expands, the two can be differentiated (Grieves, 2003). Paton and McCalman (2008) differentiated individual learning from Organisation by asserting that Learning takes place as a result of experience and the key differentiator between individual and Organisational learning is the collective nature of experience, and the joint testing of potential responses to that experience to develop a shared view of what constitutes appropriate action. Argyris (1992) according to Armstrong and Taylor (2014) suggested that Organisational learning occurs under two conditions: first, when an Organisation achieves what is intended and,

second, when a mismatch between intentions and outcomes is identified and corrected. He distinguished between single-loop and double-loop learning as types of learning, described as adaptive or generative learning. *Single-loop* or *adaptive learning* is incremental learning that does no more than correct deviations from the norm by making small changes and improvements without challenging assumptions, beliefs or decisions. Easterby-Smith and Araujo (1999) argued that single-loop learning could be linked to incremental change. Conversely, double-loop learning is associated with radical change, which may involve a major change in strategic direction. It is generally assumed that double-loop learning is superior, but there are situations when single-loop learning may be more appropriate (Armstrong and Taylor, 2014).

Studies have reported that OL partially mediates between EO and performance and mediates fully between learning organisation and performance (Real et al 2014). Other studies posited that EO impacts positively on OL (Onyema 2014, Dada, 2016).

3.0 METHODOLOGY

3.1 Research Design

This study adopted the survey design to measure the interface between EO and OL. The independent variable was Organisational learning while the dependent variable was entrepreneurial orientation measured by five sub variables (risk taking, proactiveness, innovativeness, competitive aggressiveness and autonomy).

3.2 Sample Size and Data Collection

This was a cross-sectional study carried out in Saclux Industries Nigeria Limited comprising: Saclux Paints, Roshed Industry makers of Sapil Plastics, products and polythene shopping bags and Alkyd reference plants and Monica Integrated Global Industries limited involved in palm-kernel crushing/processing plants and a new company to be launched soonest. Prior to administering the questionnaires, an informal lecture on the constructs was given to heads of department, subsequently, they were interviewed. Both the information from the interviews and questionnaires were sources of primary data. Secondary data were gotten from the Saclux group of Industries' official website, textbook, journals, internet and other related documents on the constructs.

Taro Yamane sample size formula was used to arrive at the sample size of eighty two but out of the one hundred questionnaires eighty four (84) returned thus, we had a sample size of 84 and the data generated was keyed into and analyzed with SPSS 20. Frequencies, percentages, mean (SD) regression and correlation. Three sections: Section 1=general characteristics; section 2- Organisational learning and section 3 =EO components adapted from Schillo (2011)

$$n = N / (1 + N(e)^2)$$

Where n= sample size, N= estimated population size and e= precision, set at 10%, N=450, e=10% i.e. 0.1

$$n = 450 / (1 + 450(0.1)^2) = 81.8$$

3.3 Research Instruments

Questionnaires were used as research instrument for the study. Each questionnaire was divided into three sections, viz. 1, 2, 3. Section 1 deals with the demographic data, section 2 were questions on Organisational learning while section 3 was used to measure the components of entrepreneurial orientation.

Items measured in section 2 are a bipolar answer question on whether the respondent has had any form of training. Second is when last the training was received: less than a year; 1-2years and greater than 2 years. This was to determine acquisition of knowledge. The second set of questions were on items 5 point likert scoring format which ranges from strongly agree 5 to strongly disagree 1. The questions were on how the effects of the acquired knowledge on their performance at work; productivity and innovativeness and the last was whether learning development should be scrapped.

The entrepreneurial orientation questions were excerpts of Covin and Slevin (1989; Lumpkin, Cogliser, and Schneider 2009) adapted from Schillo (2011). Eleven (11) item scales put in a likert scale form and the scoring format ranging from strongly agree (5) to strongly disagree (1). Each component was measured by two questions each. The first two items measured risk taking, then Proactiveness, Innovativeness, Competitive aggressiveness and subsequently, autonomy.

3.4 Data analysis

From the analysis, $p < 0.05$ was considered statistically significant and the null hypothesis rejected and alternative hypothesis as stated below accepted. Also to be noted is that EO was gotten from the sum of the five components of risk taking, proactiveness, innovativeness, competitive aggressiveness and autonomy as suggested

3.5 Hypothesis

H1: There is a significant relationship between each component of entrepreneurial orientation and Organisational learning

H2: The organisational learning can be used to predict components of entrepreneurial orientations either independently and/or jointly.

4.0 RESULTS

4.1 Data Analysis, Presentation and Interpretation

The analysis is based on the information from 84 respondents made up of 63 (75.0%) males and 21 (25.0%) females. Their age range was 20-62years with mean age \pm standard deviation (SD) of 32.9 ± 8.9 years. Mean \pm SD of length of service is 4.2 ± 3.7 years with range 0.5-20years. Age group 20-29years accounted for the highest distribution with 37 representing 44.0% of the respondents, followed by those of 30-39 years, 40-49years, 50-59years then ≥ 60 years with a distribution of 30 (35.7%), 11.9%, 7.1% and 1.2% respectively. Five (6.0%) had primary education, 29 (34.5%), 43 (51.2%), 7 (8.3%) representing, secondary, tertiary and postgraduate as highest educational qualification respectively as seen in table 1. Fifty one (60.7%) had training in less than one year, 24 (28.6%) between 1-2years and 6 (7.1%) more than 2years and 3 (3.6%) had not had any training. Two out of the three are newly employed. Table 2 shows the OL capacity of the organisation. About 86.9% of the respondents accentuate to effectiveness of the OL capacity. Fifty one (60.7%) strongly disagree to the fact the knowledge acquisition, dissemination and shared implementation is not necessary for the survival of the industry and should be scrapped. Twenty (23.8%) disagreed. Only 2 (2.4) said it should be scrapped. It was observed from table 3 that effect of OL capacity on EO both independently and Jointly apparently improved individual performance, productivity and creativity/innovation ($p < 0.0001$) respectively. The effect was highest in performance, followed by productivity and finally creativity and innovation.

Rating scale of components of EO was presented in table 4. From the result, the first on the list is the managers' beliefs that due to the nature of the environment, bold, wide range and acts are necessary to achieve the organisation's objectives; followed by being proactive in initiation of actions. Thirdly is management's emphasis on Research & development, technological leadership & innovation. Fourth and fifth, are Management supports for individuals/or team work autonomously and adoption of a competitive aggressiveness to undo competitors respectively. The sixth, seventh, eighth, ninth, tenth, eleventh are: adoption of competitive posture to undo competitors; strong tendency for high risk projects (with chances of very high returns); introduction of very many new products in the last 3 years; the ability to be the first to introduce a new product in the last 3 years; changes in new products being dramatic, and allowing individuals/or teams pursuing a business opportunity to make decisions on their own without referring to supervisor(s) respectively.

4.2 Hypothesis Testing

Table 5 infers that Organisational learning has significant effect on components of EO both independently and jointly ($p < 0.0001$). The highest effect was highest in innovativeness (12.3), followed by risk taking (9.6), procativeness (7.2), competitive aggressiveness (5.4) and autonomy (5.2) respectively. From table 6, for every unit increase in OL capacity, risk taking, proactiveness, innovativeness, competitive aggression, autonomy increase by 0.205, 0.300, 0.279, 0.288, and 182 respectively. There were moderate positive correlations between OL and innovativeness, proactiveness, risk taking, competitive aggressiveness. However, weak correlation exists between autonomy and all are statistically significant ($P < 0.0001$ and $P = 0.001$) respectively. OL capacity also had a positive effect on EO components jointly. We therefore accept the alternative hypotheses which states that there is a significant relationship between each component of entrepreneurial orientation and Organisational learning and that the organisational learning can be used to predict the components of entrepreneurial orientations either independently and/or jointly in SMEs

Table 1: Socio demographic characteristics

Variable	Frequency (n=84)	Percentage (%)
<i>Sex</i>		
Male	63	75.0
Female	21	25.0
<i>Age Group in years</i>		
20-29	37	44.0
30-39	30	35.7
40-49	10	11.9
50-59	6	7.1
≥60	1	1.2
<i>Educational Status</i>		
Primary	5	6.0
Secondary	29	34.5
Tertiary	43	51.2
Postgraduate	7	8.3
<i>Department</i>		

Admin/HRM/Accounts/Audit	31	36.9
Sales/Marketing	26	31.0
Production	16	19.0
Engineering/Maintenance/Transport	11	13.1
<i>How of Long have you worked in the organisation?</i>	55	65.5
≤5years	20	23.8
6-10years	6	7.1
11-15years	3	3.6
16-20years		

(n= Total number)

Table 2: Organisational Learning Capacity

Variable	Frequency	Percentage (%)
<i>Have you attended any training programme organized by the organisation?</i>		
No	3	3.6
Yes	81	96.4
<i>When last did you attend the training programme</i>		
0	3	3.6
<1year	51	60.7
1-2years	24	28.6
>2years	6	7.1
<i>Knowledge acquisition, dissemination and shared implementation is effective</i>	32	38.1
Strongly agree	41	48.8
Agree	6	7.1
Not sure	2	2.4
Disagree	3	3.6
Strongly disagree		
<i>Knowledge acquisition, dissemination and shared implementation is not necessary for survival of the companies and should be scrapped</i>	0	0
Strongly agree	2	2.4
Agree	11	13.1
Not sure	20	23.8
Disagree	51	60.7
Strongly disagree		

Source: Field Survey 2016

Table 3: Effect of OL capacity of performance, productivity and creativity/innovativeness

Variable		N	Mean	Std. Deviation	F	P
Improved performance	No effect	11	2.64	1.9	60.436	<0.0001
	Has effect	73	4.63	0.5		
	Total	84	4.37	1.0		
Improved productivity	No effect	11	1.91	1.5	134.912	<0.0001
	Has effect	73	4.56	0.5		
	Total	84	4.21	1.1		
Creativity/Innovativeness	No effect	11	2.18	1.5	79.705	<0.0001
	Has effect	73	4.42	0.6		
	Total	84	4.13	1.0		

Source: Field Survey 2016

Table 4: Rating Scale of Components of EO with regards to OL capacity

EO components	SA	A	N	D	SD	Total Score	Mean Score	Rank
<u>RISK TAKING</u>								
Generally, managers in my organisation have a strong tendency for high risk projects (with chances of very high returns)	13 (65)	43(172)	13 (39)	10 (20)	5 (5)	301	3.58	7
	17 (85)	51 (204)	12 (36)	4 (8)	0 (0)	333	3.96	1
Generally, managers in my firm believe that due to the nature of the environment, bold wide range and acts are necessary to achieve the organisation's objectives								
<u>PROACTIVENESS</u>								
In dealing with competitors, my organisation typically initiates actions which	22 (110)	42 (168)	14 (42)	6 (12)	0 (0)	332	3.95	2

competitors respond to

In dealing with competitors my organisation is the first to introduce new products/services, administrative techniques etc

10 (50)	30 (120)	31 (93)	11 (22)	2 (2)	187	3.42	9
---------	----------	---------	---------	-------	-----	------	---

INNOVATIVENESS

Generally, the top management favour a strong emphasis on Research & development, technological leadership & innovation

12 (60)	49 (196)	20 (60)	3 (6)	0 (0)	322	3.83	3
---------	----------	---------	-------	-------	-----	------	---

My firm has introduced many products in the last three years:

12 (60)	33 (132)	28 (84)	11 (22)	0 (0)	298	3.55	8
---------	----------	---------	---------	-------	-----	------	---

Changes is quite dramatic

2 (10)	32 (128)	34 (102)	16 (32)	0 (0)	272	3.24	10
--------	----------	----------	---------	-------	-----	------	----

COMPETITIVE

AGGRESSIVENESS

When confronted with decision making, my organisation typically adopts a bold, aggressive posture in order to maximise the probability of exploiting potential opportunity

16 (80)	36 (144)	28 (84)	1 (2)	3 (3)	313	3.13	6
---------	----------	---------	-------	-------	-----	------	---

In dealing with competitors my firm adopts a competitive undo the competitors posture

19 (95)	36 (144)	23 (69)	3 (6)	3 (3)	317	3.77	5
---------	----------	---------	-------	-------	-----	------	---

AUTONOMY

My firm supports the efforts of individuals/or team work autonomously

14 (70)	50 (200)	13 (39)	5 (10)	2 (2)	321	3.82	4
---------	----------	---------	--------	-------	-----	------	---

Individuals/or teams pursuing a business

5 (25)	7 (28)	12	45 (90)	15 (15)	194	2.31	11
--------	--------	----	---------	---------	-----	------	----

opportunity are allowed to make decisions on their own without referring to supervisor (36)

Source: Field Research 2016 SA- Strongly Agree=5; A-Agree=4; N-Not sure=3; D-Disagree=2; SD- Strongly disagree=1
Numbers in parenthesis represent frequency multiplied by code number as represented on not above

Table 4: Effect of Knowledge acquisition, dissemination and shared implementation on EO Components

Component of EO	ANOVA (F)	P Value
<i>Risk taking</i>	9.640	<0.0001
<i>Proactiveness</i>	7.152	<0.0001
<i>Innovativeness</i>	12.282	<0.0001
<i>Competitive aggressiveness</i>	5.447	<0.0001
<i>Autonomy</i>	5.182	<0.0001

Source: Field Research 2016

Table 5: Relationship between OL and Components of EO independently and jointly

Factor	R	R ²	B	Constant	t-test value	P value
<i>Risk-taking</i>	0.452	0.205	0.269	3.762	4.593	<0.0001*
<i>Proactiveness</i>	0.501	0.251	0.300	3.219	5.442	<0.0001*
<i>Innovativeness</i>	0.581	0.338	0.279	3.305	6.471	<0.0001*
<i>Competitive aggressiveness</i>	0.431	0.185	0.288	3.494	4.320	<0.0001*
<i>Autonomy</i>	0.352	0.124	0.182	5.190	3.411	0.001*
<i>EO</i>	0.355	0.126	0.566	14.895	3.435	0.001*

Independent Predictor: OL capacity

NOTE: Asterisk * = Significant level at 10%

Dependent variables: Risk taking, proactiveness, innovativeness, competitive aggressiveness, autonomy

Source: Field Survey 2016

5.0 SUMMARY OF FINDINGS

Several researchers have considered the effect of EO on OL independently and jointly, whereas some had a combination of three components of risk-taking, proactiveness, and innovativeness (Miller, 1983; Covin and Slevin, 1989) or all five components (Schillo, 2011). Onyema (2014) used a combination of three of the components namely: risk taking, proactiveness and competitive advantage and a positive correlation between the components of EO independently and jointly. However, the focus of this study is to explore the effects of OL on EO both independently and jointly. Studies have shown a curvilinear relationship between EO and a firm's performance and this could be U-shaped or non-linear (Kreiser et al, 2013, Schillo, 2011). The variability implies the presence of a moderating variable (Schillo, 2011). This study showed a linear relationship between the EO components and a firm's performance measured through productivity, performance and creativity/innovativeness.

This study observed that organisational learning has a moderating effect on EO. The result from this study is similar to that of Altinay et al (2016) that found a positive relationship between EO and Organisational learning. Thus, the Organisational learning capacity of Saclux Industries Nigeria Limited birthed three more industries from the original Saclux paints. The new companies formed are Sapil Industries makers of all forms of plastics as such; the paint company does not need to get plastic buckets elsewhere for packaging their paints. Another company formed is Monica industries makers of Industrial oil. The original paint industry was transformed to meet the contemporary demands. Currently, as at the time of the study, the company is about to launch a new product and company. Observably, OL does not only enhance EO but improves Performance, productivity and creativity/innovativeness in a medium scale enterprise. However, the effect of OL was highest in performance, followed by productivity and creativity/innovation.

6.0 CONCLUSION/RECOMMENDATIONS

Increasing intensity of competition among Organisations in 21st century has caused interminable search for ways to gain competitive advantage and win the competition and maintain the lead. In this regard, the mediating role of Organisational learning capacity between performance, innovativeness, proactiveness, competitive aggressiveness, risk taking certainly counts as a competitive advantage for chief executives and managers. Through observation round the city and interview of painters, Saclux paints leads and others follow. Saclux Industries Nigeria Limited has metamorphosed into a modern Paint Industry, extra two companies makers of plastics and oil and is at the verge of launching a new company. The study infers that of the pace of expansion and the maintenance of the lead of Saclux Industries in the paint world can be traceable to management commitment to enhancing EO components through OL capacity.

The importance of maintain of sustaining this competitive advantage is necessary at a time like this where the government is hammering on diversification of economy, resulting to many small/medium scale enterprises are springing up especially in the manufacturing industries. Thus, this study supports continuous and diverse employee learning & development to improve the quality of their products/services produced by SMEs. This is necessary because, one cannot see his/her back except requisite skills have been acquired to be able to see both what is before and behind you. Meaning, other SMEs with similar products will be studying the products to improve their own quality. We recommend that organisations both small, medium or large scale enterprises should cultivate learning habit. Also, SMEs should thrive to be learning organisations and make learning a continuous process and a complementary process if they are to survive the dynamic and volatile environment in which businesses are operating on. However, this study was conducted using only one SME, we recommend a wider study with more SMEs to enable policy makers and enterprises to make the issue of being a learning organisation a must for SMEs.

References

- Altinay, L., Madanoglu, M., De Vita, G., Arasli, H. and Ekinci, Y. (2016). The Interface between Organizational Learning Capability, Entrepreneurial Orientation, and SME Growth. *Journal of Small Business Management*, 54: 871–891. doi: 10.1111/jsbm.12219
- Armstrong, M. and Taylor S. (2014). *Armstrong's Handbook of Human Resource Management Practice*, 13th Edition, London: Kogan Page
- Chaston, I., Badger, B. and Sadler-Smith, E. (2001). Organisational Learning: An Empirical Assessment of Process in Small U.K. Manufacturing Firms. *Journal of Small Business Management*, Vol. 39, pp. 139–151. doi: 10.1111/1540-627X.00013

- Chiva, R., Ghauri, P., & Alegre, J. (2013). Organisational learning, innovation and internationalization: a complex system model, *British Journal of Management*, Vol. 25, No. 4, pp. 687-705.
- Cotis, J. (2007). Entrepreneurship as engine of growth : evidence and policy Challenges. *Global Entrepreneurship Monitor (GEM)*. Retrieved from www.oecd.org/dataoecd/4/51/3803895
- Covin, Jeffrey; Lumpkin, G. T. (2011). "[Entrepreneurial Orientation Theory and Research: Reflections on a Needed Construct](#)". *Entrepreneurship: Theory & Practice* Vol. 35, No.5: 855–872. doi:[10.1111/j.1540-6520.2011.00482.x](https://doi.org/10.1111/j.1540-6520.2011.00482.x). Retrieved 27-06-2016.
- Dada, O. (2016). Organizational Learning, Entrepreneurial Orientation, and the Role of University Engagement In SMEs, *International Small Business Journal February 2016*, Vol. 34 No. 1; pp. 86-104
- Easterby-Smith, M., and Lyles, M. (2003). *The Blackwell handbook of Organisational Learning and Knowledge Management* . Oxford: Blackwell
- Eggers, F., Kraus, S., Hughes, M., Laraway, S., & Snyckerski, S. (2013). Implications of customer and Entrepreneurial Orientations for SME growth; *Management Decision*, vol.51, No.3, pp. 524-546.
- Grieves, J. (2003). *Strategic Human Resource Management Development*, London: SAGE Publications
- Griffin, R. W (2002). *Management*, 7th Edition, USA: Houghton Mifflin Company
- Hakala, H. (2011). “Strategic Orientations in Management Literature: Three Approaches to Understanding the Interaction between Market, Technology, Entrepreneurial and Learning Orientations,” *International Journal of Management Reviews* vol. 13, pp. 199-217.
- Industrial Development Organisation (2011). Economic Development in Africa Report 2011: Fostering Industrial Development in Africa in the New Global Environment.[online] Available from: http://unctad.org/en/Docs/aldcafrica2011_en.pdf [Accessed: 20/07/2016]
- Jamali, D., Sidani, Y. & Zouein, C. (2009). The learning Organisation: tracking progress in a developing country: A comparative analysis using the DLOQ. *The learning Organisation*, vol. 16, No.2, pp. 103 – 121.
- Kreiser, P.M., Marino, L.D., Kuratko, D.F. et al. (2013). Disaggregating entrepreneurial orientation: the non-linear impact of innovativeness, proactiveness and risk-taking on SME performance, *Small Bus Econ*, Vol. 40: 273. doi:10.1007/s11187-012-9460-x
- Naldi, L., Nordqvist, M., Hellerstedt, K. and Wiklund, J. (2007). Entrepreneurial Orientation, Risk Taking, and Performance in Family Firms. *Family Business Review*, Vol. 20, No. 1, pp. 33-47
- NBS -Nigeria National Bureau of Statistics (2014a). Measuring Better: Frequently Asked Questions on the Rebasing/Re-Benchmarking of Nigeria's Gross Domestic Product (GDP). Abuja, Nigeria: National Bureau of Statistics.
- NBS –Nigeria National Bureau of Statistics (2014b). Nigerian Manufacturing Sector: Summary Report 2010-2012, 14 October. Abuja, Nigeria 17
- Paton, R. A and McCalman, J. (2008). Change Management A guide to Effective Implementation, 3rd Edition, London: SAGE Publications Limited
- Real, J.C, Roldán, J. L and Leal, A. (2014). From Entrepreneurial Orientation and Learning Orientation to Business Performance: Analyzing the Mediating Role of Organizational

- Learning and the Moderating Effects of Organizational Size, *British Journal of Management*, Vol. 25, pp. 186–208 DOI: 10.1111/j.1467-8551.2012.00848.x
- Rowden, R. (2013). The Myth of Africa's Rise: Why the Rumor's of Africa's Explosive Growth Have Been Greatly Exaggerated. [online] *Foreign Policy*, 4th September. Available from: http://www.foreignpolicy.com/articles/2013/01/04/the_myth_of_africa_s_rise#sthash.5W2hH7gQ.dpbs [Accessed 20/07/2016]
- Schillo, S. (2011). Entrepreneurial Orientation and Company Performance: Can the Academic Literature Guide Managers? *Technology Innovation Management Review*. November 2011, pp. 20-25
- Taylor, I. (2014). *Africa rising? BRICS -Diversifying Dependency*. Oxford: James Currey.
- UNCTAD, United Nations Conference on Trade and Development and UNIDO, United Nations
- Usman, Z (2015). An Assessment Of Nigeria's Recent Re-Engagement With Industrial Policy Being A Paper Prepared For Presentation At The 'New Industrial Policy In Africa: How to Overcome the Extractives' Trap ' Conference 03-04 November 2015 Antananarivo, Madagascar, Retrieved from www.fes-madagascar.org/media/news_in_industrial_policy_in_Africa/Usman_.Nigerias_industrial_policy.pdf/ on 10/07/2016
- W.R. King (ed.) (2009). Knowledge Management and Organisational Learning *Annals of Information Systems* DOI 10.1007/978-1-4419-0011-1_1, © Springer Science+Business Media, LLC 2009
- Wales, W. (2013). *Entrepreneurial Orientation*". In Kessler, E. H. [Encyclopedia of Management Theory](#). Thousand Oaks, CA: Sage Publications. pp. 243–246. doi:10.4135/9781452276090.n74. Retrieved 27-06-2016.
- Wales, W. (2015). ["Entrepreneurial orientation: A review and synthesis of promising research directions"](#). *International Small Business Journal* n/a (n/a): 1–13. doi:10.1177/0266242615613840. Retrieved 20-06-2016
- Wang, C. L., and L. Altinay (2012), Social Embeddedness, Entrepreneurial Orientation and Firm Growth in Ethnic Minority Small Businesses in the UK," *International Small Business Journal*; vol. 30, No. (1), pp. 3-23.
- Wang, C. L. (2008). "Entrepreneurial Orientation, Learning Orientation, and Firm Performance," *Entrepreneurship Theory and Practice* 32(4), 635-656.
- Whitfield, L. and Therkildsen, O. (2011) What Drives States to Support the Development of Productive Sectors? Strategies Ruling Elites Pursue for Political Survival and their Policy Implications. [online] DIIS Working Paper 2011:15 Available from: http://www.diis.dk/graphics/Publications/WP2011/WP2011-15-What-drives-states_web.pdf Accessed on 20/07/2016
- Whitfield, L. et al. (2015) *The Politics of African Industrial Policy: A Comparative Perspective*. New York: Cambridge University Press
- World Bank (2015) Africa: End of the Commodity Super Cycle Weighs in on Growth, Africa's Pulse. April 2015
- World Bank (2015) World Development Indicators
- Zahra, S.A. (2012). Organisational Learning and Entrepreneurship in Family Firms: Exploring the Moderating Effect of Ownership and Cohesion. *Small Business Economics*, vol. 38, No.1. pp. 51-65.

Zhao, Y., Y. Li, H. S. Lee, and B. L. Chen (2011). “Entrepreneurial Orientation, Organisational Learning and Performance: Evidence from China,” *Entrepreneurship Theory and Practice* vol. 35, No.2, pp. 293-317.