

Strategic Learning and Corporate Vitality in the Downstream Aviation Sector in Nigeria

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Abstract

Improving the operational capacity of firms to meet the challenge of competition has resulted to making strategic choices that strengthen its capacity to compete and innovatively serve markets. The vitality of firms is the potency to mobilize resources to respond to market therefore this study primary investigated the relationship between strategic learning and corporate vitality of firms in the downstream aviation sector in Nigeria. The study adopted a positivist approach using the cross-sectional survey design. The survey instrument served the purpose of acquiring data from a sample sixty-four (64) management staff of the firms. The instrument showed reliability and from the data generated and analyzed, using the Pearson Statistic, it was found explicitly that strategic learning correlates strongly and significantly with corporate vitality of firms in the downstream aviation sector. From the study findings, it is concluded, building corporate vitality requires capturing knowledge, work skills and competencies through strategic learning that could functional and context specific. Based on this, it is recommended that strategic learning platforms in the form of continuous interaction and shared experiences be created to fast track learning and at same time ensure stored knowledge for organizational purposes.

Keywords: *Strategic learning, knowledge creation, knowledge interpretation, responsiveness, innovativeness, resourcefulness*

Introduction

There is sustained level of expansion within the body of strategic management knowledge which exemplify the magnitude of the imposing level of competition among firms. Organizations expectedly reach out to the robust portfolio offered by the theoretical and conceptual postulations in the field of strategy (Kuwada, 1998; Bontis et al, 2008; Sloan, 2006; Pietersen, 2010; Wood, 2012 & Charlotta, 2012).

The complexities that characterize the today's business environment are harbingers to the poor health of firms especially in developing economies (Alagah, 2010). Indeed, the environmental milieu raises concern about their strength and readiness to compete. Attaining business goals and sustaining survival emanate from the garnered vitality in terms of strategic resource accumulation and coordination for efficient market service delivery.

In this wise, firms competitive capacity is denoted by the vitality characterized by the ‘energy’ to be sensitive to prevailing environmental circumstance, conduct operations strategically and effectively, initiate work systems and structures that organically superintend over management of resources for quality service delivery and gaining competitive advantage. Afema (2014) posits that corporate vitality is the aggregated momentum relating to firm capabilities, competencies and systems that guarantee strategic actions targeted at gaining competitive advantage. Vitality in firms’ typifies the healthiness and overall well-being that reinforces the multiple efforts at corporate survival. Essentially, the build-up of vitality in firms is necessarily activated and sustained by definite strategic attempts at having a firm with capacity to compete. It is associated with market responsiveness capacity and strengthened ability for resource deployment. Increased concern for competitiveness and survival of firms has in same vein called for concern on what workplace actions are required to strengthen and position it for needed leverage and advantage to gain desired market share. Overtime, the strategic management literature has provided much evidence on strategic alternatives that guide firms towards goals. In recent times, the resource based view and core competencies perspectives of Barney (1991) and Prahalad (2000) respectively have been lauded as being strategic to competitiveness. The acquisition of strategic resources and core competencies showcases vitality therefore the need to expand the debate on how these can be acquired by the firms. Siren (2012) has advanced that for firms seeking vitality they are required to undertake strategic learning as imperative action for attacking and sustaining competencies and capabilities. Strategic learning in this instance, are goal targeted effort of organization that helps to unfreeze, acquire, share and sustain knowledge for all work processes and allied responsibilities that position the firm for competitiveness. As technology experiences radical and swift changes, new knowledge and work skills are required as they also culminate to new product offers for markets. Strategic learning is believed to fast track such acquisition which is likely to reinforce the vitality of firms. With this in focus, this study is aimed at providing empirical evidence on the relationship between strategic learning and corporate vitality in the downstream aviation sector in Nigeria.

Literature Review

The Concept of Strategic Learning

The idea of strategic learning was first conceived by a strategy specialist, Mintzberg (1987), and this has attracted several other contributors (Voronov 2008; Stowbuck, Barneth & Baumard, 2008; Pietersen, 2010). Strategic learning lends a helping hand to organizations in building the capability to proactively adapt to environmental changes. Thomas, Sussman, & Henderson, (2001), developed a strategic learning model showing descriptive and rational process of strategic learning where important strategic activities can be recognized beforehand. Their model highlights three basic attributes of strategic learning thus: knowledge crafting and development , that is, efforts premeditated to match with the strategic action perspective of the organization; strategic learning impacts on a firms capacity to develop, keep and transmit strategic knowledge across different levels to boost the organization’s operational capacity and finally, strategic learning has functionally based strategic sense-making and decision making systems that aid organizations to comprehend the significance of creating new knowledge. It is important to state clearly, that knowledge management, information dissemination procedures strategic sense making as well as decision making are the most vital factors in the enhancement of positive strategic learning behavior. Essentially, what should be noted here is that strategic learning occurs at different strategic levels of organization and for all work members which includes management and other functional levels of the firms. The strategic learning procedures begins with the crafting of unique strategic knowledge at the individual level, it also evolves amongst individuals who

directly are involved in interacting with new technological development and alterations in market domain. Thus, hypothetical knowledge is usually initiated in diverse units of organization by employees through interacting with the organization external and internal environment. As soon as strategic initiatives are initiated, at the individual level, it is essential to transmit and share it at the group or team level to ensure that it is converted to organizational asset (Chermack, 2011). According to Daft and Weick (1984), learning is a process of developing novel information through the procedures of knowledge clarification in both formal and informal work group settings. The novel knowledge as referred here require unfreezing existing knowledge to make way for acquiring new one that best serve market needs. Firms willing to compete favourably expectedly initiate mechanisms and structures that facilitate novel knowledge sharing at all levels of organization including deploying means of storage.

Fundamentally, strategic learning procedures are viewed as knowledge crafting, distribution, interpretation and implementation. This review does not intend to lump up knowledge management with strategic learning. What is stressed is that, knowledge acquired through deliberate organizational effort to compete overtime is through strategic learning made available to all work members at all levels. Its distribution, integration and usage is done using such means as continuous interaction and shared experiences among individuals across work units and levels of the organization. The learning, unlearning and relearning exercise of firms according to Loverde (2005) is critical to the extent that it alters the organizational status-quo and create more effective and efficient approached that add value to the market place. Strategic learning by his position pusher for innovative practices both in the provision of new product and production process. It articulates alongside protocols and procedures that best enhance the new processes of service delivery. Strategic learning articulates through creation of fresh knowledge that is contemporary based on comprehensive assessment of firm's environmental circumstance. Clearly, this study has adopted an inclusive approach by stressing that strategic learning includes the entire processes of creating and retaining knowledge ensuring its distribution and comprehensive usage by all organizational members.

The Concept of Corporate Vitality

Survival and sustained performance are critical factors that several scholars have acknowledged as resulting from inherent corporate vitality (Loverde, 2005; Liang, Ling, & Huang,, 2006; Zack, McKeen, & Singh,, 2009; Akpotu & Konyefa, 2018) Sushil (2007) argues that just as humans needs balanced diet and exercise to sustain healthy living, organizations needsome exceptional ingredients to remain vital. Sushil further developed two important distinctionsof life as critical to organizational survival and growth, which essentially snowballs into corporate vitality. They are learning, innovation, flexibility, and entrepreneurship, these deals with operational and cognitive vitality. Wyner, et al (2009), discussed corporate vitality in relation with the ability to galvanize organizations energy across all roles and aspects that sustains it ability to attain goals. This simply means that vitality elucidates the efficient and dexterous running of the firm in its everyday undertakings and its eventual progression into inventive market oriented and goal driven entity. Munthree, Bick & Abratt (2006) discussed vitality in marketing management perspective in relation to regeneration of brands. A reflection on the authors view indicates that an existing brand may become obsolete or live out its life cycle. The firm's ability to re-brand it in another way different from its present form for it to muddle through environmental alteration that impinge on its success in the market accounts for corporate vitality. Vitality in other words is the sustained capacity to refine and reposition the brand in the mind of its customers to continue its patronage.

Organizations that are more vital most often, integrate its system continuously in a way that stimulate alterations within the organization, thereby allowing employees and the organization as a whole to accomplish prevailing interaction that helps in building the capacity of both individuals and the firm. A more elaborate definition of corporate vitality was advanced by Sushil (2013), who described vitality in relation to capability development of organization members, excellent cycle of managerial procedures promotion of individual's challenging spirit, strengthening knowledge, sensing, transformation, and the aptitude to deal with changes in the environment. Bishavas (2015), viewed corporate vitality differently as the ability to evolve a sagacity for corporate mission, or purpose, functional values, interactions between groups, and the volume of information interchange among others in organizations. Much attention has been pulled at the heightened environmental dynamism which has sparked of much competition among firms. Competing in this circumstance requires that firm should be potently fit in provision of market needs through umpteenth creativity and same time deploying capabilities and competencies that are galvanized for efficient operations. This guarantee a responsive approach to servicing markets. All of these accounts for corporate vitality. Therefore, corporate vitality is the corporate energy reflected in its resource, competencies and capabilities to enable it compete favourably, survive and gain competitive advantage (Akpotu & Konyefa, 2018).

Strategic Learning and Corporate Vitality

Empirical evidence exist demonstrating the influence of strategic learning on high firm performance (Jerez-Gomez, 2005; Liang, et al, 2006; Tseng & Lin, 2011; Chermak, 2011; Charlotta, 2012). Organizational effort aimed at securing market share that off-set cost and allow for profit, ensure that strategic action are initiated for goals. Strategic learning in Tseng and Lin (2011) correlates with knowledge asset acquisition and competence enhancement. The functionality of firms require that the knowledge resource which is in itself strategic (Barney, 1990) should be readily acquired especially against the backdrop of environmental changes. It provides the impetus for innovativeness hence operational revitalization. Strategic learning ensures that work members acquire the know-how and reinforces their competences for optimal functioning in the light of new market demands. Strategic learning therefore encapsulate all such management actions that encourages acquisition sharing and perhaps store of knowledge. This explains the obvious that strategic learning is a precursor of a functional organization with capacity to gain competitive advantage. Pietersen (2008) showed a relationship between strategic learning and talent retention in hi-tech manufacturing firms. This it does by first acquiring and sharing knowledge among work members and finally stored for future work operations. Strategic learning implication on individual employee has been explored in the works of Bhat and Grover (2005). Their study indicates that employee commitment and esteem results from strategic learning practices of the firms. Strategic learning therefore present a good blend of antecedents that are disposed to the expectation of both micro and macro levels of firms. However, contextualizing such for reinforcing empirical assertion is also key therefore, strategic learning in this circumstance is examined with corporate vitality

Methodology

Considering the primary objective of this study, a positivist epistemology with nomothetic methodology that permits quantitative analytical approaches is deployed. It relied on a cross-sectional survey design therefore used structured questionnaire instrument for generating at-once data from the respondent sample of 64 managers of nine (9) firms licenced and listed in the FAAN schedule (2019). The sample is made up of Directors, managers and supervisors in the purposively chosen firms. All firms that qualify for the study are the ones that have

operated in the industry for the past ten (10) years with operational branches in at least four international airports in Nigeria. The survey instrument which was tested for reliability (see table 1.1) was served on participants by 3 research assistants who after administering gave respondents ten working days to respond and retrieve them and this enhanced participants willingness.

Table 1: Reliability Result for the Variable Studies

S/No	Dim/Measures	No of Items	Cronbach alpha
1.	Function Specific learning	8	0.72
2.	Context specific learning	8	0.87
3.	Resourcefulness	5	0.77
4.	Responsiveness	5	0.74
5.	Innovation	5	0.79

The results of the Cronbach alpha test for the dimension of strategic learning and measures of corporate vitality are as shown. They clearly indicate that the alpha values are between 0.72 & 0.87 which confirms with the Nunnally's alpha threshold of 0.7.

Measures

Strategic learning was measured adapting Bishwas (2011) 16 item scale. This scale was validated subsequently in Siren (2012) with an alpha of 0.82. For corporate vitality it adopted Akpotu and Konyefa (2018) 15 item scale which showed reliability with 0.78 alpha. The scales were all on 5 point Likerts ranging between 5 – Strong Agree to 1 – Strongly Disagree.

Results

Table 2: Correlation Results for the Examined Variables

		St	Res	Resp	Inn
Strategic Learning	Pearson	1.000	.526**	.471**	.771**
	Correlation	-	.000	.000	.000
	Sig (2-tailed)	64	64	64	64
	N				
Resourcefulness	Correlation	.526**	1.000		
	Sig (2-tailed)	.000	-	.000	.000
	N	64	64	64	64
Responsiveness	Pearson	.471**		1.000	
	Correlation	.000	.000		.000
	Sig (2-tailed)	64	64	64	64
	N				
Innovativeness	Pearson	.771**			
	Correlation	.000	.000	.000	
	Sig (2-tailed)	64	64	64	64
	N				

** correlation is significant @ the 0.01 level (2-tailed)

The Pearson's Correlation results for all the variables examined are positive and significant @ $p < 0.01$. For strategic learning and resourcefulness measure, it has a coefficient $r = 0.526$ which means that it is moderately positive and significant. In the case of strategic leaning relationship with responsiveness and innovativeness, they have $r = .471$ and $.771$

respectively. It implies a positive and significant relationship between strategic learning and responsiveness and same for innovativeness.

Discussion

The changing environment of firms requires the reinforcement of strategic initiatives that supports capacity to be resourceful, responsive and innovative. This study is conducted to build knowledge on the relationship between strategic learning and corporate vitality. First, the study findings provide support to extant positions (Bontis et al, 2002; Lian, et al, 2006; Bishwas, 2015). The results of these studies indicate strategic learning influencing organizational performance. Charlotta (2012) particularly investigated the relationship between strategic learning and innovative behaviour and it showed a strong correlation. The findings of this study provided support for the reasoning that learning provide the organic character of initiating new value-added work processes through its ability to unfreeze existing knowledge and provide new creative knowledge for market responsiveness. Strategic learning has been evidently captured as providing the knowledge-sharing platform that brew innovative approaches and re-engineering systems for functional outcomes. Strategic learning in its entirety is not a passive organizational exercise rather its strategic nature is exemplified in its ability to expedite competitive capabilities and competencies. This study finding shows high correlation between strategic learning and vitality measures that are also significant. The ensuing degree of competition require that firms should be market oriented and at same time using efficient approaches for service delivery. Strategic learning from the study result provides the attitudinal capacity for turnaround actions for competitiveness. Wyer et al (2009) noted that small firms with learning orientation have competitive leverage. This simply points to the fact that strategic learning ensures operational efficacy through its sustained ability to renew the know-how for goal focused activities. Liang et al (2006) found in their study that strategic learning affords the organization a knowledge reservoir for competitiveness and this study finding has corroborated their finding with the correlation result showing the relationship between strategic learning and resourcefulness.

Conclusion/Practical Implications

Multiple strategic alternatives are deployed by organizational operators to gain competitive advantage and ensure corporate survival and sustainability, especially in times of rapid changes. One of such effort is strategic learning with a view to enhancing operational capacity, efficiency and effectiveness. This study therefore investigated strategic learning relationship with corporate vitality. The constructs are decomposed theoretically using their dimensions and measures and this was the basis for the hypotheses statement. From the data generated and analyzed, the result indicates that strategic learning correlates with corporate vitality. This simply indicates that effort at building corporate vitality requires capturing knowledge through strategic learning procedure with prompt distribution of same to all users at all levels. Strategic learning no doubt is aimed at enhancing competencies and capabilities that will position the firm for competitiveness. Conclusively, this study burgeoned knowledge through showing empirically that strategic learning influence corporate vitality making it resourceful, responsive and innovative. The results are interestingly promising for organizations as they leverage capacity to adapt to changing environmental conditions. Strategic learning offer the basis for unfreezing existing knowledge and strive towards more sophisticated operational processes along renewed management focus and same time offering new work skills that insulates them from competitors antics.

Suggested for Further Studies

It is suggested that this study can be replicated in the banking sector that is experiencing radical policy changes aimed at growing the Nigerian economy. It will also be of theoretical and conceptual significance if other dimensions of the constructs are investigated and validation of associated instrument for future studies.

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