

ORGANISATIONAL LEARNING AND EMPLOYEE ENGAGEMENT: A LITERATURE REVIEW

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Abstract

Organisational learning is a mechanism used by the organisation to keep themselves competitive and up to date. Organisational learning leads to technological innovation, product enhancement and process improvement. But despite the importance placed on organisational learning many industries in Nigeria are faced with the challenges of technological innovations, engagement and sustainable competitive advantage. Hence, this paper establishes the relationship between organisational learning and employee engagement with emphasis in the Nigerian pharmaceutical industry. The paper focuses on the dynamics and benefits of organizational learning. The specific objectives were to (i) identify the relationship between information acquisition and behavioural engagement of employees (ii) examine the linkage between information distribution and cognitive engagement of employees in the Nigerian pharmaceutical industry. The use of five scale dimensional theoretical model and conceptual analysis were adopted to espouse the managerial practices that facilitate the learning process leading to employee engagement. The paper concludes with managerial and policy implication.

Keywords: Competitive Advantage, Engagement, Organisational learning, Technology.

1. INTRODUCTION

1.1 Background to the Study

Organisations are currently faced with the central environmental forces of economic globalisation. In order to survive with these current external threats and opportunities and to have competitive edge over others, firms have to learn, acquire new skills and knowledge that will advance their performance. The effective strategy for sustaining a firm's performance and competitive advantage is organisational learning. Organizational learning according to Arsad and Mahmood (2016) is the mechanism used by the organisations to acquire

knowledge, skills, opinions and attitudes that will keep them current and competitive. Organizations can create, transfer and integrate new skills and knowledge through learning.

Extant studies have shown that the new skills and knowledge gained through learning motivates the dedication and engagement of employees with their job roles and functions (Edmonstone, 2018; Nonaka, 1994). Employee engagement concept is a major enabler of competitive advantage that has gained popularity over the years. According to Apontea and Zapata, (2013) engaged employees are aware of the organisational business environment and work well with colleagues to improve job output for the organisational benefit.

The higher the changes that occurs in the organisational business environment the higher the need for organisational learning. However, the fast global changing business environment and the globalization demand, has mounted boundless pressure on developing countries like Nigeria. These issues have exerted the same pressure on various industry's especially the pharmaceutical industry. An industry, that is under public scrutiny and pressure to improve the quality of healthcare delivery (Oseni, 2017). This has necessitated the need for the pharmaceutical industry to learn and apply new information which may lead to employee engagement and may also foster fewer medical errors, improved healthcare services and better patient/client outcomes (Edmonstone, 2018; Callwood, Bolger, and Allan, 2018). It is upon this premise that this study focuses on the critical review of organisational learning and employee engagement in the Nigerian pharmaceutical industry.

1.2. Objectives of the Study

The general objective of this study is to critically review the relationship between organisational learning and employee engagement.

The specific objectives are to:

- i. the relationship between information acquisition and behavioural engagement of employees;
- ii. identify examine the linkage between information distribution and cognitive engagement of employees.

1.3. Research Questions

Based on the problem statement, the following questions were formulated to guide the study:

- i. What is the relationship between information acquisition and behavioural engagement of employees?
- ii. In what way has information distribution influenced cognitive engagement of employees?

2. LITERATURE REVIEW

2.1 Organizational Learning *defined*

Organisational learning is the process by which organisations acquire new skills, information, opinions and attitudes that will keep them competitive and up-to-date (Arsad & Mahmood, 2016). Organisational learning is considered to have three sub-processes: creating, retaining and transferring of information. The information created through organisational learning allows organisations to re-conceptualise and reframe issues. The process of retaining vital information within an organization is the translation of such into organisational change, which means that the organisational management does not rely only on talent retention for sustainable competitive advantage (Oyeniyi, Afolabi, Olayanju, 2014). Lastly, information transfer is the process of disseminating knowledge from one individual to another by the means of technology. Technology alone is not enough to transfer knowledge; organizational practices, structures and culture facilitate and encourage transfers as well.

2.2. Organisational Learning and Learning Culture

Organisational learning is defined as the extent to which organisation learns and how everyone possess what is learnt not individuals alone. An organizational learning culture is an illustration of the organisation's that accepts and practices learning for organisational outcomes like competitive advantage (Yadav and Agarwal, 2016). Organisations learning to these organisations are normal and seen as an integrated part of the organizational activities. The characteristics of organizational learning culture are integration, entrepreneurship, flexibility, information acquisition, fast response, innovation and information distribution (Namada, 2017). Organisation learning culture explains how information distribution is effectively encouraged with good reward for employees working in the organisation. Organisational learning culture is an effective key that unlocks the organisational learning process and also helps to tackle crisis, threats,

shocks and improves employee's performance.

2.3. Organisational Learning in the Nigerian Pharmaceutical Industry

Organisational learning is the way organisations build, supplement and organise information to achieve organisational efficiency. Organisational learning is the tool organisation uses to satisfy their customers better by creating new products and services. Organisations have always been engaging in learning but fast changes in the market condition have increased the speed at which learning have to occur (Arsad & Mahmood, 2016). Organisations operating in the present business environment must also understand environmental changes in business and technology in order to respond as quickly as possible (Olokundun, Iyiola, Ibidunni, Peter and Borishade, 2018).

Globally, Pharmaceutical Industry is a technologically intensive where information is the main source of competitive advantage. This industry is fast becoming more patient-centric, where patients are involved in all the stages of value creation. Chukwuma, Godwin and Ndidi, (2017) affirms that new technologies like mobile application and artificial intelligence have given pharmaceutical firms enormous information on patient data, allowing for more advanced analysis and medicine precision.

The Nigerian Pharmaceutical Industry has engaged in the adoption of radio frequency identification technology by the national agency for food and drug administration and control (NAFDAC). This technology has helped consumers to identify fake drugs by sending a code at the back of the drug to a phone number or by also calling a phone number to confirm (Obukohwo, Olele, and Buzugbe, 2018). The information made available to the consumer will help them decide whether to purchase the drug or not. Studies have shown that organisational learning such as information acquisition and information distribution will effectively achieve high employee engagement and competitive advantage (Chukwuma, Godwin and Ndidi, 2017, Huber, 1991).

2.4 Information Acquisition and Behavioural Engagement

The greatest resource of an organisation to gain competitive advantage over there competitors is information. For organisations to compete favorably with others in a highly volatile and unpredictable business environment, adequate information acquisition capability becomes essential (Falola, Olokundun, Salau, Oludayo and Ibidunni, 2018). Information acquisition is the collation of information that enhances organisational competitiveness and business performance. Information acquisition is the organisations intentional search of information that can be achieved through individual training and research which enhances organisational learning. According to Sibiya, Sandada and Mago, (2016) information acquisition is highly important for an organisation to learn. As a result, theorists have agreed that organisation need to continuously acquire essential information that will be useful for organisational competitiveness and success (Chiekezie, Dibua and Chinenye, 2016: Salim and Sulaiman, 2013). Organisations use various techniques to acquire information which includes clipping services and individual training:

(i) Individual Training

Individual training is an employee's deliberate effort to enhance learning of new behaviour, job-related skills and knowledge. Employees are able to acquire higher abilities and capabilities to be able to perform their jobs better (Chiekezie, Dibua and Chinenye, 2016).

(ii) Clipping Services

Clipping service is the process used by organisations to keep track of the media in other to get information about their competitors, products and what is being said about them. Traditionally, clipping services is done through print media such as articles and newspapers. This now includes searching and monitoring of internet and the different types of media. Extant studies have shown that organisational information acquisition such as training and clipping services foster employee behavioural engagement such as commitment and involvement in work (Elechi, 2016: Inegbenojie 2018). Behavioural engagement entails employee's willingness to work beyond the terms of contract. This is employee's ability to go the extra mile in other to get work done for their organisation. Macey and Schneider (2018) explained the perspectives of behavioural engagement to include role expansion, proactive behaviours and initiative. Another perspective of behavioural engagement sees it as the ability of employees to possess adaptability skills (Kahn, 1990). Behavioural engagement shows how employees have the intention to stay with energy and cognitive alertness to learn and acquire new information in the organisation (Allen and Meyer, 1997: Kahn, 1990).

2.5. Information Distribution and Cognitive Engagement

Information distribution is process used to share diverse information and expertise among individuals and members of a team in an organisation (Nonaka, 1994). According to Nonaka (1994) two types of information are distributed which are the explicit and tacit knowledge. Explicit knowledge is the information that could easily be explained, articulated and codified while tacit knowledge is difficult to communicate, articulate and formalize such as know-how, insights and personal experiences. Organisational learning includes the sharing of acquired information among the various units and members thereby generating new understanding and information. The higher the information distributed the higher the organisational learning that occurs (Odor and Samuel, 2018). Chiekezie, Dibua and Chinenye, (2016) proposes that information distribution is the process of sharing the already existing information in a way that it would lead to the formation of new information for the organisation.

Nonaka (1994) emphasises the importance of organisations increasing their employees' beliefs of their capability through mentor training to enhance information distribution. This owes to the fact employees are motivated to share their knowledge when they are confident that such knowledge will greatly contribute to the success of the their organisation (Nonaka, 1998). Information distribution across teams and between employees allows the organisations to exploit and capitalize on information as a useful resource. Extant studies have shown that information distribution enhances employee's cognitive engagement in the sense that employees are able to engage in effortful tasks with purposiveness while also making cognitive investment in learning (Abolarinwa 2016 and Savolainen, 2017). Cognitive engagement is defined as the degree at which employees are mentally alert to their jobs roles with the goal of the organisation in their mind (Bakker and Demerouti, 2018). An employee is said to be cognitively engaged when he has an enduring, fulfilling and positive attitude that makes him focused and psychologically present in organisational job activities (Ikon and Chika, 2017). Studies such as Orogbu and Okafor (2016) and Odor and Samuel, (2018) reveals that organisations with efficient and effective information distribution experience a high level of employee cognitive engagement.

3. THEORETICAL REVIEW

The use of five scale dimensional model was adopted as the underpinning theory for organisational learning and employee engagement in the pharmaceutical industry. The dimension of the model include experimentation, dialogue, propensity to risk, participatory decision making and interaction with the external environment (Gomes and Wojahn, 2017).

1. Experimentation: Experimentation is organisational practice of gathering essential information and adapting them to fast changing business environment. This is the degree to which an organisation adopt new ideas and information (Brix, 2017). This has to with the support of the new ideas, positive responses to employee's and the development of change. It also includes the innovative search to problems, based on the possibility of using different procedures and methods (San, 2016). Organisational practice of experimentation allows them to gain insights even when new idea does not out work as planned. It is essential for organisations to experiment, in other to institutionalise learning in the organisation. Experimentation involves information gathering, pilot projects, idea testing and spreading of the results to important areas. Pilot Projects as an example of experimentation, is the small-scale design to test a working approach or an idea. The aim of pilot project is to widen implementation scale. Pilot project enhances the trial ability of innovation and are used to test health care innovation, new health care programs, clinical practice guidelines and medical therapies, and interventions.

2. Dialogue: This is the degree to which hidden words and information are revealed and given meanings in communication. Dialogue concerns open and free communication within work teams. Team meetings are an essential element for creating effective and efficient teams. Effective team meetings when done well enhance the performance of team members. These enable members to dialogue well so that everyone would know what is going on (Gomes, Machado, & Alegre, 2015). As a result, members are kept focused on important things and how to track the goals of the team. These facilitate the cross-fertilisation of ideas.

3. Propensity to Risk: This is characterised by uncertainty, ambiguity and errors. Organisations that have high propensity to risk easily accept mistakes, being that errors act as learning facilitators (Gomes & Wojahn, 2016).

4. Participatory Decision: This is the extent to which employees are encouraged to take part in the organisational decision-making. It is also shared decision-making in the workplace. This facilitates competitive advantage and behavioural engagement of all employees of the organization. And these are the

factors that help facilitate development of new product that are not fortuitous.

5. Interaction with the External Environment: This is the communication between an organisation and its external environment. The external environment is the factors that affect an organization which may be economic, political, economic, social or technological. These factors often lead to the success of an organization (Salau, Osibanjo, Adeniji, Igbinoba and Ogueyungbo, 2018). This happens when an organisation learn from the external environment and successfully communicate it, resulting in an ongoing exchange of ideas that benefits both the environment and the organization (Gomes &Wojahn, 2016).

Methodology

Review research design was used in this study and recent articles on organisational learning and employee engagement in some databases like SAGE, EBSCO, Elsevier among others were reviewed extensively in this study. The research method adopted is conceptual analysis. However, conceptual analysis is largely considered a beneficial method of inquiry particularly when the goal of the analysis is to analyse concepts into their constituent parts in order to gain knowledge or a better understanding of a particular philosophical issue in which the concept is involved (Olokundun, Moses, Falola, Ibidunni, Salau, & Oluremi, 2018). Therefore, this paper reviewed extant literature on organisational learning and employee engagement in order to gain knowledge and better understanding of the relationships between the concepts in the context of Nigeria.

4. Conclusion and Discussion

The aim of this study was to demonstrate that a major relationship exists between organisational learning and employee engagement. It is important to note that organisational learning have become a focal point of emphasis based on its implications for enhancing competitive advantage. This study proposes a conceptual model to show that organisational learning have a positive relationship with employee engagement. To this end this study proposes a conceptual relationship between information acquisition and behavioural engagement. This aligns with the work of Chiekezie, Dibua and Chinenye, (2016) and Ikon and Chika, (2017) which suggests that information acquisition which comprises of training and organisational clipping services should foster employee behavioural engagement such as commitment to work and involvement in work. The study also proposes conceptual linkage between information distribution and cognitive engagement. This supports the studies of Odor and Samuel, (2018) and Bakker and Demerouti, (2018) that indicates that information distribution enhances the cognitive engagement of employee because employees engage themselves in effortful tasks during information distribution and also making cognitive investment in learning.

Managerial and Policy Implications

- i. Management of pharmaceutical industry in Nigeria must consistently engage in the intentional search of information in other to gain competitive edge.
- ii. Human resources managers should constantly engage in training to foster employee's confidence in their skill and also motivate the development of innovative ideas for rapid changes.

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