Organisational Learning: A Resource-Based View Analysis

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Abstract
This study theoretically analyzed the relationship between organisational learning (OL) and resource-based view (RBV) in line with examining the concept of OL, concept of RBV, nexus between OL and RBV, response between OL and RBV, calibrating the challenges in synergizing OL and RBV and exploring the competitive advantage in optimizing OL to feature non-substitutable, rare, inimitable, and valuable (NRIV) attributes of RBV. The methodology engaged was the narrative literature review which is validated by its potency to align numerous authors’ perspectives for correlation and explanation. The paper is of the position that OL and its components when optimally refined and optimized are capable of attaining NRIV status and can position an organization at the leading cadre in its industry. The review explored and uncovers relevant literature, and made postulations in comprehending and validating the dynamic relationship in the interplay between OL and RBV.

Keywords: organisational learning, sustainable competitive advantage, resource-based view

Introduction
The ongoing amalgamation of the world economy and unpredictable dynamics of an organizational market landscape has necessitated the need for organizations to acquire, create, preserve, and sustain competitive advantages; this reality has increasingly uncovered the essence of optimizing learning in organizations as a tool to earning relevant competence, skills, strategic insight and knowledge that are Non-substitutable, Rare, Inimitable, and Valuable (NRIV) in being relevant in today's market activities and tomorrows’ market conquest. The investment in Organizational Learning (OL) is becoming a topical trend with regard to the dynamic and complex attributes of the organizational environment (Loermans, 2002), hence its necessity is continuously reinforced by the drive for strategic organizational response to an unpredictable environment (Garvin, Edmondson & Gino, 2008), and the need for a viable posterity, performance, and sustained competitive benefits.

In line with the necessity for OL, Senge (1990) observes that the strategies and knowledge of the past may not be relevant for tomorrow’s success in organizations. Hence, organizations need continuous learning to sustain their competitive advantages (Peteraf, 1993; Mahoney, 2001). Notwithstanding the avalanche of benefits anchored on OL; effective decision-making, competitive advantage essence, and optimal performance (Yang, 2007; Taylor, Templeton & Baker, 2010; Real, Roldán & Leal, 2014), some organizations are still confused about the concept of OL, and much worst on how to practicalize it (Taylor, Templeton & Baker, 2010; Wu & Chen, 2014). Hence, it is critical to continually research, explore concepts and share information about learning and their significance to the success of organizations.

Innate in every organization is a recurrent learning quest, irrespective of the level of awareness or consciousness; the question most times is how strategic the things learned (i.e. formal or informal) are, as well as how systematic the learning approach is. Basten & Haamann (2018) posit that while a learning approach may not necessarily guarantee an effective organizational process, an insufficient process of learning usually possesses misleading implications. Hence, a higher chance of improving the valid interest
and goals of an organization lies in a systematic learning approach (Crossan, Lane & White, 1999; Schneider, von-Hunnius & Basili, 2002; Basten & Haamann, 2018).

Extant literature on OL describes it as the commitment of an organization to knowledge management and development (Garvin, 1993). Hence, Senge (2006) asserts that organizations exploit change, optimize opportunities, and adapt to the business environment by learning. OL has been revealed as a continuous organizational developmental initiative to grow, develop, sustain, and advance its interest via relevant knowledge (Law & Gunasekaran, 2009). It’s further posited as the protocol by which organizations alter their cognitive models, policies, and processes to influence their performance (Chiva, Ghauri & Alegre, 2014). Literature has also articulated the dimensions of OL to include intellectual capital management, awareness, intellectual cultivation, communication, knowledge acquisition, performance assessment, information distribution, environmental adaptability, information interpretation, organizational memory, organizational grafting, and social learning (Huber, 1991; Templeton, Lewis & Snyder, 2002).

Scholars have reinforced the need for advancing OL as evidenced in the diverse categorization of learning (i.e. single-loop, double-loop, adaptive, deuteron, and generative learning) and the positing of narratives that position OL as an indispensable tool, asset, and capability for organizational viability and optimized posterity. OL as an indispensable tool, asset, and capability can be learned, developed, enshrined as organizational culture, and serve as a resource base for competitive exploits when it possesses NRIV attributes, and thus the study seeks to explore within the Resource-Based View (RBV) framework via the exploration of the following theme; examining the concept of OL, concept of RBV, nexus between OL and RBV, response between OL and RBV, calibrating the challenges in synergizing OL and RBV, and exploring the competitive advantage in optimizing OL to feature NRIV attributes of RBV.

Organizational Learning (OL)
The etymology of OL has been an issue of debate amongst scholars; nonetheless, a common trajectory in literature attributes its relevance to the studies on individual learning (Thorndike, 1911; Watson, 1913; Watson, 1924; Pavlov, 1927; Skinner, 1938). Its further development was strengthened by diverse studies in theories of organizations that outline its attributes. Each successive organizational theory study has influenced the advancement and necessity for OL adoption and research. OL as a term was attributed to the work of Cyert and March (1963) who projected learning as a central organizational theme. The articulation of OL has featured diverse conventional dimensions that involve; organizational mode (i.e. deuteron, double, and single learning), organizational environment (i.e. comprehending the internal and external environment), employee behaviour, management of information, and organizational disciplines (Watkins & Marsick, 1993; Huber, 1991). Regardless of the revealing of extant literature, OL advancement strives to obtain a universal connotation and standard measurement, and both are still been sought, although the diverse connotations possess some central theme, there is a paucity of generalized empirically established measures.

In today’s organizational landscape, the necessity for knowledge, insight, and information that gives strategic advantages has risen astronomically and will continue to rise. Hence, in recognizing this pressured reality, scholars and consultants have advocated the adoption of relevant learning mechanisms to effectively control and respond to environmental activities (Drucker, 1988; Bahlmann, 1990; Huber, 1991). This further uncovers the observation that OL possesses the essence required to influence organizational results (i.e. performance, advantages, innovation, competence, technology, etc.) (Templeton, Lewis & Snyder, 2002; Templeton & Snyder, 1999).

OL connotes action sequence (intellectual capital management, awareness, intellectual cultivation, communication, knowledge acquisition, performance assessment, information distribution, environmental adaptability, information interpretation, organizational memory, organizational grafting, and social learning) an organization engages to optimize positive organizational results (Huber, 1991; Templeton, Lewis & Snyder, 2002). OL has been observed to enable organizations to optimize technologies, attain competitive lead, and exploit knowledge in conquering environmental dynamics.
OL births a systemic knowledge scope that optimizes growth and advancement in organizations (Saarenketo, Puumalainen, Kuivalainen & Kyleaheiko, 2009). OL is initiated by individual (i.e. employee) intuition and progresses to interpretation and analysis amongst several individuals, and then followed by its integration into a team, and ultimately institutionalized in an organization (Wernerfelt, 1984; Crossan, Lane & White, 1999). OL's developmental process is elaborated in the social constructionist paradigm; hence, at the intuition phase; individuals initiate knowledge through their experiences and environment. At the phase of interpretation; the individual (i.e. employee) explains his concept to others. During the integration phase; teams are involved, who analyze and optimize the knowledge via coordinated activities. Ultimately, at the institutionalization phase; the knowledge is enshrined in the organization framework and acculturated in the organizational processes which are supported by organizational members (Wernerfelt, 1984; Crossan, Lane & White, 1999; Dutta & Crossan, 2005).

Resource-Based View (RBV)
The RBV emergence has been associated with Wernerfelt's (1984) writings, and has gained traction with other scholars (Barney, 1986; Dierickx & Cool, 1989; Amit & Schoemaker, 1993; Helfat & Lieberman, 2002); its postulations have over time been featured in diverse organizational phenomena (Armstrong & Shimizu, 2007; Lockett, Thompson & Morgenstern, 2009). The RBV is revered as a critical theory in comprehending organizational affairs in its quest for relevance in the marketplace; it seeks to decode the innate organizational source of Obtaining and Sustaining Competitive Benefits (OSCB). Its essence is anchored on its postulation that an organization actualizes OSCB when it optimizes an effective engagement of an NRIV resource and competence (Richard, 2000; Barney, 2002); hence the RBV reveals the rationale behind the different organizational performance irrespective of the industry they are operating in.

The RBV attributes organizations’ resources (i.e. OL dimensions) as critical variables of a Sustainable Competitive Advantage (SCA); it assumes that organizations differ in their resource-base, and also, an organization’s resource-base is unique as it is internal and optimized as an internal resource that is capable of influencing external engagements, hence, are factually NRIV resource when refined (Barney, 1991; Peteraf, 1993; Barney, 2002). Barney (1991) posits that organizational resource incorporates every process, asset, organizational characteristics, capabilities, information, attributes, knowledge, learning, etc. controlled by an organization that facilitates the engagement and optimal execution of strategies for the actualization of organizational target goals.

The RBV consider organizations as profit maximizers operated by rationally-bounded managers who seek to OSCB in a dynamic market landscape (Leiblein, 2003); hence the organizations’ management aims to optimize the value of their NRIV resource (i.e. OL dimensions; intellectual capital management, awareness, intellectual cultivation, communication, knowledge acquisition, performance assessment, information distribution, environmental adaptability, information interpretation, organizational memory, organizational grafting, and social learning) in having favourable results than their rivalries. Organizations’ peculiar innate capabilities and competence optimized through learning enhance their strategic relevance; hence, the RBV when synergized with the organizational learning attributes optimizes an organization’s economic interest and other advantages.

Organizational Learning (OL) and Resource-Based View (RBV)
Organizations attain SCA from resources (i.e. OL) that have been refined and optimized from the strategic process, experience, and knowledge which has to possess NRIV attributes akin to the RBV. SCA actualized from NRIV resources is only feasible when rivalries who seek to gain such advantages cannot replicate the NRIV attributes due to their paucity of relevant knowledge, time, capabilities, etc. (Smith, Vasudevan & Tanniru, 1996). Hence, when OL components (i.e. intellectual capital management, awareness, intellectual cultivation, communication, knowledge acquisition, performance assessment, information distribution, environmental adaptability, information interpretation, organizational memory, organizational grafting, and social learning) are processed to feature NRIV factors, it becomes an SCA for organizations that seek to dominate and remain relevant in its industry. OL as an organizational resource connotes firm-controlled insights and knowledge capabilities with NRIV attributes which facilitates the engagement of strategies which trigger SCA for organizations’ present and posterity results.
When management completely comprehends their resources and that of the rivalries, then they can optimize OL as an NRIV (i.e. RBV elements) attribute that guarantees’ SCA. However, in some cases, management does not comprehend their resources and may not accurately analyze the rivals’ resources, hence limiting the endowment of an NRIV feature in exploring OL (Bromiley & Papenhausen, 2003). Alternatively, when management optimizes and effectively engages OL to feature NRIV attributes and gain SCA in its industry, other organizations analyzing the activities in their environment would notice such advancement, and would either stage a counter-strategy via optimizing their OL to possess superior NRIV attributes or could strive to copy and replicate the strategy of the dominant market leader; nonetheless, if they can achieve this replication of the dominant OL practices in the leading organization, such OL practices automatically ceases to possess NRIV features, hence, does not have the benefits of RBV element on the condition that such replicated OL practice is engaged by a significant number of firms in the industry. Arguably, the organizations that are now practising the replicated OL engagement still possess SCA and NRIV features in contrast to organizations that are not practising such.

Organizations who seek to replicate the OL practices of other organizations only do so when the following conditions are validated; the organization being modelled is consistently producing valid results, the organization is in the same or allied industry or interest, and the organization’s OL engagement possesses NRIV attributes. When these conditions are established by other organizations, they may proceed to replicate such OL engagement. Nonetheless, organizations may possess OL engagement that may not replicated, either because rivalries do not consider them as NRIV, rivalries do not have the resources to comprehend or replicate them, rivalries are optimizing a superior OL engagement with NRIV features, or such organizations have secured their OL process from been replicated (i.e. trade secret).

Response: Organizational Learning (OL) and Resource-Based View (RBV)

Having observed that OL and RBV theory are aligned in OSCB, it’s pragmatic to feature OL as a strategic resource within the purview of the RBV framework (Smith, Vasudevan & Tanniru, 1996). RBV is strategically renowned, and its existence in an organization or industry is rarely ignored, hence, in a market landscape where organizations are constantly striving for mastery and dominance of the market space, environmental analysis is constantly engaged which creates a valid pointer to the activities of market leaders or rival organization. Further analysis reveals how they are optimizing OL dimensions (i.e. intellectual capital management, awareness, intellectual cultivation, communication, knowledge acquisition, performance assessment, information distribution, environmental adaptability, information interpretation, organizational memory, organizational grafting, and social learning) to exact NRIV attributes in remaining relevant in their industry and conquering new market landscape (Barney, 1991; Bromiley & Papenhausen, 2003).

When rival organizations are impacted (i.e. loss in market size, employee turnover, etc.) by the OL engagement of an organization, they naturally give a response that usually aims to counter such impact, and reclaim their performance or exceed it. Nonetheless, organizations in responding to environmental activities (i.e. seeking market dominance, relevance, or responding to OL engagement of an organization) implore three approaches; passive, active, and aggressive.

In a passive response approach, organizations have understood or failed to understand their environmental activities (i.e. responding to environmental threats or opportunities) and the influence they possess on their operation; hence, they respond at their own pace. They neither seek to strive beyond their capacity nor optimize their capacity in OSCB through engaging OL practices that enshrine NRIV attributes. This is mostly influenced by the management philosophy prevalent in such an organization and to some extent the economic system they are functioning. Hence, in a passive response mode organizations merely survive or maintain the status quo, therefore advancing at their pace without considering the potential inherent in organizational OL practices to optimize their performance and gain SCA.

In an active response approach, an organization is constantly seeking to benchmark the market leaders and strives to emulate their OL strategies in gaining relevance in the market landscape. Organizations engaged in
this approach are sensitive to the market leader's OL operations and streamline their activities to reflect their understanding of those OL initiatives with NRIV attributes engaged by the market leaders to OSCB. Organizations in this category stick to what produces the best results, aim to modify their strategy and structure and pay the cost of optimizing their OL activities to reflect the standard as set by the observed market leaders. Arguably, a limiting factor to this approach may be the inability to think or create new strategies that may counter established or tested standards in their industry. Also, organizations involved in an active approach, encounter challenges in identifying OL activities with NRIV in other organizations, as it's not easily discernable. This is evidenced in management having difficulty in optimizing OL engagements and benefits in their organization, let alone emulating other organizations’ OL initiatives and practices (Szulanski, 1995).

In an aggressive response approach, an organization initiates OL engagement or counters OL protocol of rivalries to OSCB with NRIV attributes. In exploiting these approaches, organizations primarily seek to be the market leader in an industry, hence adopting measures to strategically position themselves as a dominant force within such a market landscape. Organizations utilize head-hunting, acquisition of rival organizations, monopolization of backward and forward integration, market focus, costing, value proposition and orientation, etc. to engage an aggressive stand. Arguably, organizations engaged in this approach are not rigidly limited by ethical issues and may engage in any OL orientation and engagement so long as they possess NRIV attributes that position them as a market leader in their industry and gain SCA.

Usually, the rules that regulate the activities of market or industrial actors (i.e. individual organizations) although active and relatively effective, possess a lot of loopholes that industrial actors can exploit. These gaps in the rules result in non-prescriptive operation modes that are open to each industrial actor and which uniquely affect individual organizations’ performance. Hence, decision-making for each actor strongly affects their resource optimization, and the degree to which they refine their resource will correlate to the degree to which they possess an NRIV attribute in OSCB. The above further complicates issues in ascertaining and evaluating the strategies being considered by other organizations.

**Challenges: Organizational Learning (OL) and Resource-Based View (RBV)**

Having observed that OL and RBV jointly seek OSCB, OL when optimized is established as an NRIV resource within the purview of the RBV theory. This fact above is observed to possess three main challenges as observed by Smith, Vasudevan & Tanniru (1996); which may limit the incorporation of OL; first, conventional discourse on RBV centred on organizations’ tangible resource optimization, nonetheless studies have captured the incorporation of intangible resource (i.e. OL) optimization (Dierickx & Cool, 1989; Amit & Schoemaker, 1993). Also, OSCB is process-oriented and not instant, hence, time is vital, but the static view of RBV centres more on the result than the process, however, OL is anchored on a process that leads to results. This raises the limitation of how to effectively incorporate time in RBV discourse, hence limiting effective time and process capabilities or resources (i.e. OL). Finally, there is no definite connotation of SCA, hence organizations may not accurately state when rivalries duplicate competitive advantages that result from NRIV resources.

Another common challenge to OL initiatives and engagements as an RBV asset is RBVs’ inability to explain how OL as its resource develops value and results in OSCB; attempts at explaining the above have only revealed how organizations differ (Priem & Butler, 2001; Bromiley & Papenhausen, 2003). Hence, RBVs’ assumption that NRIV attributes jointly produce SCA and that SCA is reflected in optimized efficiency and effectiveness is ambiguous and lacks details. Furthermore, comprehending NRIV attributes is difficult as organizations are not fully aware of the holistic strategies implored by other organizations, nor is it detailed in the theory, this makes it difficult to accurately identify what organizational attributes are truly NRIV in comparison to the attributes in rival organizations.

The rationale for the attributes being termed NRIV amongst other factors is the difficulty in replicating them, much harder is the difficulty an organization experiences in optimizing such attributes within its operations, let alone being replicated by rivals. NRIV and its differences amongst diverse organizations are enhanced by organizational attributes and characteristics, and not a function of industrial characteristics.
Hence, the need for organizations to recognize and optimize their core competence, components, attributes, and characteristics (i.e. resources) in advancing their goals (Andrews, 1971; Barney, 2001).

The avalanche of extant literature has revealed a limited understanding of the concept of RBV. This is mostly attributed to the fact that most studies did not directly test the theory but utilized it to validate some empirical context in organizations (Bromiley & Papenhausen, 2003; Barney, 2001). Most attempted studies on RBV were irregular in their objectives; they mostly confused SCA with abnormal returns in equilibrium (Powell, 1995; Richard, 2000). Organizations that aim for SCA could achieve that in a market that is not in equilibrium and may also obtain an abnormal return in a temporary equilibrium (Bromiley & Papenhausen, 2003).

A behaviourist perspective on the competence/component/attributes/characteristics of OL with its conventional acceptance as a resource but rather views them as merely descriptive organizational characteristics and processes (Bromiley & Papenhausen, 2003). This behaviourist perspective challenges the notion that organizational resources can attain perceived values and become NRIV (Dierickx & Cool, 1989; Bromiley & Papenhausen, 2003). Attempts to align the behaviourist perspective to the RBV (i.e. emphasis is on organizations making the best possible decision) and OL (i.e. as a resource) are essentially contradictory as continuous trials encounter difficulties in reconciling RBV claims to the foundational assumptions of the behaviourist perspective (i.e. emphasis is on organizations management choices and industry/market conditions; change and adaptation) (Bromiley & Papenhausen, 2003; Bromiley & Fleming, 2002).

**Competitive Advantage: Organizational Learning (OL) and Resource-Based View (RBV)**

The RBV framework features SCA as a function of acquisition, refinement, maintenance, and optimization of organizational resources (i.e. OL). In recent studies, the articulations of the RBV are more anchored on an equilibrium connotation of SCA and fail to exploit the benefits inherent in a dynamic OL (Smith, Vasudevan & Tanniru, 1996). The RBV postulates that organizations that seek performance and goal optimization will actualize a viable SCA when it enhances and continually refines its resources to possess NRIV attributes; obtaining SCA is anchored on refining resources (i.e. OL) to possess NRIV attributes.

SCA is appraised on the platform of organization comparative performance, and organizations’ performance areas usually change. Hence, benefits derived from a specific area of performance may be leveraged to solidify and enhance other areas to optimize or develop new avenues of SCA for an organization. Hence, an organization may optimize its performance in the area of OL, and redeploy its benefits to other interest areas as a strategy to dominate its unique competitive landscape. OL on a continuous, refined, and optimized basis influences SCA exploitation; and at the core of OL (i.e. behavioural and cognition development) is strategic information exploration and optimized utilization tailored to specific market context to gain SCA.

The SCA is mostly optimized when rivals are incapable of replicating the advantages of an organization’s distinct resource (i.e. OL) refinement and engagement or when the organization is constantly advancing its capacity to optimally harness its resource (i.e. OL) configuration to possess NRIV attributes; which left on its own may have no unique difference from rivalry’s resources (Smith, Vasudevan & Tanniru, 1996). Hence SCA is maintained when organizations are constantly reconfiguring the mix of resources in its base to feature NRIV attributes and redeploying and leveraging the benefits obtained on NRIV-optimized resources to harness advantages on other resources; OL is capable of achieving SCA when optimized and refined to feature NRIV attributes (Smith, Vasudevan & Tanniru, 1996).

NRIV attributes validate and distinguish resources that may or may not generate SCA; when organizational resources possess NRIV attributes, they exhibit a significant positive effect on performance (Crook, Ketchen, Combs & Todd, 2008; Kozlenkova, Samaha & Paltmier, 2013). Hence, Barney (1991) reinforces that an SCA is a function of NRIV-attributed resources possessed and strategically utilized by an organization, which is simultaneously not engaged by rivalries.
Conclusion
This review analyzed the relationship between OL and RBV in line with; examining the concept of OL, the concept of RBV, the nexus between OL and RBV, the response between OL and RBV, calibrating the challenges in synergizing OL and RBV, and exploring the competitive advantage in optimizing OL to feature NRIV attributes of RBV. The review explored and uncovers relevant literature, and made postulations in comprehending and validating the dynamic position of the interplay between OL and RBV.

In this review, an analysis was made of the relationship between OL and RBV. OL was explored as a significant strategic resource within an organizational engagement, and how its possession of NRIV attributes (i.e. feature of RBV) enables organizations to OSCB. The paper is of the position that OL and its components (intellectual capital management, awareness, intellectual cultivation, communication, knowledge acquisition, performance assessment, information distribution, environmental adaptability, information interpretation, organizational memory, organizational grafting, social learning, etc.) when optimally refined and optimized is capable of attaining NRIV status and can position an organization to the leading cadre of its industry to possess an SCA.

The review has proffered insight into harnessing the dynamics of OL for organizations to become relevant in today’s market landscape and gain a viable posterity in the uncertainty of tomorrow’s competitive landscape; hence organizations’ management and their effectiveness in navigating accurately the optimized performance of their organization is a function of their understanding and engagement in refining the OL components to feature NRIV attributes relevant in their industry, which are not explored by rivalries in their market landscape.

Finally, the review enhanced understanding and analyzed relevant available knowledge on the dynamics between OL and RBV, which is topical in today’s organizational life that is challenged by unconventional environmental challenges. These insights built strategic knowledge and will raise questions in the readers’ minds that may be explored for further studies.

References


