

RESEARCH ARTICLE:

The Effect of Organisational Learning on Business Performance of SMMEs in the Western Region of Ghana

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Abstract

Research on Organisational Learning has been up-surging in recent years in management literature. However, empirical research on how it impacts small, micro and medium enterprises' (SMMEs') performance still needs to be researched, particularly in Ghana. This study aimed to investigate the effect of Organizational Learning in fostering Business Performance of SMMEs in the Western Region of Ghana. The study employed a positivist research approach, which made use of quantitative methodology. The data was sourced via the administration of a structured questionnaire to 374 owners/managers of SMMEs from registered SMMEs as captured by the National Board of Small-Scale Industries (NBSSI) in the Western Region of Ghana using a convenience sampling method. Data analysis involved statistical techniques such as regression analysis to ascertain the relationship between organisational learning and business performance. Out of the total number of the targeted sample, 350 respondents were retrieved successfully. The findings revealed that owners/managers of SMMEs lacked the managerial skills, whilst employees lacked the interpersonal skills to participate meaningfully in OL. Also, resistance to change was revealed as another constraint to organisational learning. The study found that approaches such as training, cooperation, consultancy engagements, inquiry, and dialogue increase learning processes of knowledge acquisition, sharing, interpretation, and storage, which improves sustainable performance. This study shows the beneficial effects of organisational learning on SMMEs' business performance, thereby informing strategic decision-making and policy formulation to promote SMME development in Ghana.

Keywords: organisational learning; SMMEs performance; financial performance; operational performance

Introduction

The body of knowledge in the 21st century concludes that Small, Micro and Medium-sized Enterprises (SMMEs) are central to economic development, innovation, and employment generation, especially in emerging economies such as Ghana. Ayyagari *et al.* (2007) emphasise the significant contributions of SMMEs to job creation and poverty reduction in developing countries, highlighting their importance in driving inclusive growth. Additionally, studies by Díaz-García *et al.* (2021) and Almeida and Santos (2021) underscore the vital role of SMMEs in fostering innovation and entrepreneurship, thereby stimulating economic dynamism and competitiveness. However, contemporary literature also recognises the manifold challenges SMMEs face, including financial constraints, regulatory barriers, and technological disruptions (Nguyen *et al.*, 2021; Castrogiovanni *et al.*, 2021). These challenges emphasise the obligation of SMMEs to continuously adapt, innovate, and improve their capabilities to remain resilient and competitive in today's rapidly evolving business environment. Organisational learning (OL) is increasingly recognised as a critical mechanism for SMMEs to navigate these challenges and enhance their performance (Jayaratne *et al.*, 2020; Alerasoul *et al.*, 2022). OL is concerned with how firms learn, which helps them become more innovative and efficient (Abel, 2015). By leveraging knowledge acquisition, sharing, and application, SMMEs can enhance their agility, innovation capacity, and overall competitiveness, as highlighted in a recent study by Nguyen and Nguyen (2020).

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Therefore, the concept of OL remains highly relevant and widely researched within the context of SMMEs, reflecting its significance as a strategic imperative for sustainable business success in the contemporary global economy. Recent studies underscore the relevance and urgency of investigating the role of OL in SMMEs' business performance, particularly in the context of emerging economies like Ghana. For instance, a study by Owusu-Frimpong and Abdulai (2020) examined the factors influencing OL in SMEs in Ghana, highlighting the importance of knowledge acquisition, sharing, and application for sustainable growth. Similarly, Acheampong and Asamoah (2019) explored the relationship between OL capabilities and innovation performance among SMEs in developing countries, shedding light on the mechanisms through which learning processes contribute to business success. However, despite these valuable contributions, more literature still needs to be on the specific dynamics and outcomes of organisational learning within SMMEs operating in the Western Region of Ghana. Existing studies often generalise findings from broader contexts or focus on specific industries, overlooking the unique challenges and opportunities SMEs face in this region. Therefore, this study seeks to address this research gap by examining how organisational learning practices influence business performance outcomes in SMMEs in the Western Region of Ghana.

To achieve this objective, a quantitative approach was employed. This involved administering structured surveys to a sample of SMMEs in the Western Region, focusing on assessing their organisational learning practices and business performance metrics. Data analysis encompassed statistical techniques such as regression analysis for quantitative data, allowing for a comprehensive understanding of the research phenomenon. The structure of the paper is as follows: the second section reviews relevant literature, examining theoretical foundations and empirical studies on organisational learning and SMME performance. The third section outlines the research methodology, including data collection procedures, sampling techniques, and analytical methods. Subsequently, the ensuing section presents the study's findings, followed by a discussion of the implications, recommendations and conclusion in the final section.

Literature Review

According to Birasnav *et al.* (2019), the notion of OL emphasises a cooperative exchange of information between formal teams and individual employees. The ability to learn in this context relates to the capacity to share information, knowledge, and accomplishments. It is believed that the exchange of intangible assets is the cornerstone of OL. According to Birasnav *et al.* (2019), employee learning is the foundation of OL. On the other hand, employee learning is influenced by both an organisation's internal and external environments. The theory emphasises that OL has two types of influence (Chung *et al.*, 2015: 1) Exploitation learning builds on the organisation's previous experience, enhances operational abilities, and reinforces present organisational routines. (2) Exploration, which has the potential to establish entirely new routines and promote policy consistency and innovation (Dixon and Sagas, 2007) In brief, companies use, institutionalise, and improve knowledge acquisition and transitional efficiency to assimilate information and produce valuable resources. Knowledge is deeply interwoven in organisational memory, as well as procedures, frameworks, methodologies, habits, and activities, according to (Argyris and Schon, 1978). It is vital to note that while individual participants' learning is embedded in them, organisational learning is not merely the sum of individual experiences (Popova-Nowak and Cseh, 2015).

Argyris and Schon (1996) proposed and advanced the hypothesis that OL occurs through a process of "double-loop learning," whereby individuals and organisations not only adapt to external challenges through "single-loop learning" but also critically examine and revise underlying assumptions and governing variables, leading to more profound transformative changes and enhanced organisational effectiveness. Firms that emphasise continual improvement and learning, according to the hypothesis, can increase their gain more profitably. According to Garvin (1993), learning and development can improve an organisation's performance. Employees who participate in continuous learning and development stay current on their knowledge and information (Hatch and Cunliffe, 2012), which improves the firm's human resources. Employees in high-performing firms can learn from one another through task rotations, and education helps them develop concepts that are tough to copy. Learning makes it challenging to duplicate human resource capabilities since they are dynamic (Armstrong and Taylor, 2014). In a dynamic environment, any organisation that wishes to gain a competitive advantage and improve its performance must be able to adapt faster than its competitors, according to McGrath (2013). OL theory stipulates that a company must adapt its operations to compete successfully in a dynamic world (Hatch and Cunliffe, 2012).

The OL theory examines specific behaviours rather than their consequences in organisations because not all learning types can bring positive results. Also, the theory can only apply to some SMMEs since most of the SMMEs

in Ghana are owned and controlled by one person, with the owner/manager making all significant decisions. According to Asemokha *et al.* (2019), unresolved issues with organisational learning, managerial decisions, innovation culture, and other aspects affect SMMEs' long-term viability and growth. As a result, it needs to be discovered what influences SMMEs' performance at every level (Kafetzopoulos, 2021). By having employees committed to the organisation, it is easier to increase performance, achieve the fulfilment of objectives and create a more enjoyable work environment (Ryu and Moon, 2019; Han *et al.*, 2019). Also, the theory mentioned above might not be consistent with the SMMEs in the local environment because they are borrowed from the developed economic environment and linked to the Ghanaian setting makes it inharmonious. Organisational Learning (OL) is a process that happens at the individual, group, and organisational levels (Winterton, 2017). The learning process is a vital component that underpins a company's primary and secondary processes (Patky, 2020). Because of OL's significance, every organisation uses it in some capacity in their operations (Mcgrath, 2017). Most of what makes an OL effective is top management support, a climate or culture of learning, organisational policies that encourage learning and development, learning opportunities that an organisation provides to its employees, and expectations for performance and progress (Winterton, 2017).

OL is concerned with how firms learn, which might help them become more innovative and efficient (Abel, 2015). Much research on organisational learning is founded on the notion that learning and knowledge benefit businesses because of their indispensable role in building diversified and unique capabilities for a long-term competitive edge (Barley *et al.*, 2018). OL, in general, is concerned with the link between the business and the outside world, to adapt to changes in the business climate and gain competitive advantages as a result (D'Angelo and Presutti, 2019). Furthermore, OL is said to be a method by which individuals gain the information and skills required to develop resources, talents, and improved organisational performance capacities. According to the definition, OL is fuelled by knowledge management methods shared across the organisation's members. The knowledge gained, particularly during conferences or workshops, is only helpful if it is put to use (Franklin, 2015). Similarly, Myles (2014) views OL as an ongoing procedure where firms adjust to their surroundings by employing multiple skills, information, and capabilities to obtain an advantage in the marketplace. Desire, discipline, decision-making, and alignment are all significant aspects of the dimensions presented by OL (Wetzel and Tint, 2019; Urban and Gaffurini, 2018). Six-construct dimensions of OL were derived from the works of (Marsick and Watkins, 2003; Song *et al.*, 2009; Leuven *et al.*, 2015) in measuring OL. Among the dimensions were lifelong improvement, enquiry and dialogue, teamwork, empowerment, system linkage, and embedded systems. Expert vetting and revisions were performed on these items to verify that they accurately measured the intended variables. This study measured OL by different dimensions (knowledge sharing, inquiry and dialogue, continuous learning, collaboration and team learning, participative decision-making, managerial commitment, experimentation and openness, knowledge transfer and risk-taking).

According to Kaminska and Borzillo (2016), efficient knowledge exchanges inside and across the various organisational communities facilitated sustained innovation. The process of inquiry and discourse involves people learning from others. Employees in a company with this dimension are good listeners and sincerely consider other people's viewpoints (Hussein *et al.*, 2014). According to a study by Akhtar *et al.* (2012), discourse and inquiry favour organisational performance. Continuous learning in a business aims to provide ongoing learning opportunities for all participants, including the senior management team and employees (Hung *et al.*, 2010). The workers' ability to achieve the specified goals is also being improved. Employees who actively participate in work decisions significantly impact organisational decisions directly and formally. It has been discovered that there is a considerable and favourable association between this type of participation, work satisfaction, and organisational performance (Abdulai and Shafiwu, 2014). Organisational commitment is the degree to which an employee feels a sense of belonging and connection to the company (Mosadeghrad and Ferdosi, 2013). Long-term and short-term organisational performance are both improved by management commitment. According to Ataseven *et al.* (2013) study, managerial commitment affects performance in three ways: utilising human, social, and organisational capital. By introducing a new approach, human capital is defined as knowledge, education, skills, and the capacity to perform within an organisation. According to recent strategic management research, organisational learning through experimentation is a potential technique for entrepreneurship (Camuffo *et al.*, 2020). In the contemporary business landscape, the definition of human capital has evolved beyond mere skills and expertise. Now, it encompasses knowledge, education, and the capacity to innovate and adapt within an organization. Strategic management research suggests that fostering a culture of experimentation and learning can fuel entrepreneurial endeavours, driving innovation and growth.

The National Board for Small Scale Industries (NBSSI), now Ghana Enterprises Agency (GEA), defines SMMEs in Ghana by using fixed assets and employees as a prerequisite. Similarly, the Ghana Statistical Service used the number of employees to classify SMMEs: 1 to 5 employees were categorised as micro, 6 to 30 as small, 31 to 100 as medium-sized, and more than 100 employees were classed as large firms. Fischer and Reuber (2000) assert that most SMEs in developing countries are single-person ventures, with owner-operators forming the largest employment segment. Family members, often unpaid yet involved, comprise around a quarter, while the rest includes hired staff and trainees.

Empirical Studies of OL and Business Performance

Recent literature reinforces the significance of OL in driving the business performance of SMMEs, particularly in the Western Region of Ghana. Studies by Worae *et al.* (2018) and Boakye *et al.* (2022) delve into the specific OL practices adopted by SMMEs in Ghana, highlighting their impact on various performance indicators such as revenue growth, market share, and customer satisfaction. These studies underscore the critical role of knowledge acquisition, sharing, and application in enhancing SMMEs' adaptive capacity and competitiveness within the local market. Moreover, research by Owusu-Frimpong and Abdulai (2020) explores the relationship between OL capabilities and innovation performance among SMMEs in Ghana, shedding light on the mechanisms through which learning processes contribute to business success. Their findings emphasise the importance of fostering a continuous learning and knowledge exchange culture to stimulate innovation, thereby driving SMMEs' long-term growth and sustainability. Furthermore, recent studies by Appiah-Kubi *et al.* (2023) and Amoako *et al.* (2023) provide insights into SMEs' specific challenges and opportunities in Ghana concerning OL and business performance. These studies highlight the need for tailored strategies and interventions to support SMMEs in leveraging organisational learning effectively to overcome constraints and capitalise on emerging opportunities in the local market.

Business performance is the output of an organisation, including productivity, profitability, and growth (Carter and Greer, 2013). Various ideas have been applied to gauging business performance, in which operational and financial performance stands out. Indicators of a company's financial status, comprehensive income, and other major reporting features are the most common variables used to measure a company's performance (Popa *et al.*, 2017). Therefore, keeping an eye on every component that impacts an enterprise's financial performance is crucial and precious. These financial metrics include market share, sales growth, productivity, profitability, competitiveness, and fixed assets (Tan and Litsschert, 1994). In the current research, we focused on the financial and operational performance to measure business performance. Heizer and Render, (2008) define performance in day-to-day operations as an organisation's capacity to cut down on operational management costs, fulfil order cycle times, increase the efficiency of raw material consumption, and meet delivery capacity. The study by Yıldız and Karakaş (2012) measures performance using eleven indicators. Among them are profitability as well as an increase in profitability, sales and an increase in sales, market share and an increase in the share, the success of releasing a new product, business operations performance, return on sales, returns on investment, customer satisfaction, sourcing high-quality goods and services, reputation and image, and competitive edge (Nuryakin *et al.*, 2018). It has also been established that there is a link between elements that promote organisational learning and business performance (López *et al.*, 2005; Gunday *et al.*, 2011; Alegre and Chiva 2013). The authors provide evidence supporting a positive relationship between organisational learning and performance in customer retention, sales growth, profitability, and return on investment.

Based on 157 participants, Yuliansyah *et al.* (2021) discovered that organisational learning favoured performance. Their research's findings align with those of Zhao *et al.*, 2011; Valdez-Juárez *et al.* (2019). Similarly, an empirical investigation of the connection between organisational learning and sustainable performance of 694 Polish and Danish enterprises was conducted by Zgrzywa-Ziemak and Walecka-Jankowska (2021) revealed a favourable and statistically significant correlation between organisational learning and sustainable performance. According to Mageswari *et al.* (2017), businesses' financial performance improves when learning and knowledge management are accepted and used. Michna (2009) examined the connection between OL and the organisation's performance and cross-cultural management inside the enterprise. Michna (2009) examined the connection between OL and the organisation's performance and cross-cultural management inside the enterprise. An association with OL was found. Organisational performance and the OL component are correlated. According to Eris and Ozmen (2012), OL affects a company's performance. The study by Eris and Ozmen (2012) provided convincing evidence of how OL, market orientation, and innovation affect a company's performance. According to a study by Imran *et al.* (2011),

the benefits that businesses that foster a learning culture in their organisation may experience help demonstrate the OL process's importance. The OL process can aid in boosting employee work satisfaction, decreasing staff turnover, and improving flexibility across the board for the business or organisation. A successful OL process can help a company learn from its mistakes and move forward successfully in the future (Basten and Hamann, 2018). The literature mentioned above by the authors as mentioned above indicates a beneficial relationship between OL and operating performance.

The above studies underscore the positive impact of organizational learning (OL) on businesses' financial performance, cross-cultural management, and overall organizational effectiveness. From enhancing employee satisfaction and reducing turnover to fostering innovation and adaptability, a robust OL process emerges as a cornerstone for sustainable growth and success in today's dynamic business landscape.

Methodology

The study employed a positivist research approach, which used quantitative methodology. The data was sourced via the administration of a structured questionnaire to 374 owners/managers of SMMEs from registered SMMEs as captured by the National Board of Small-Scale Industries (NBSSI) in the Western Region of Ghana using convenience sampling. The participants included 350 Ghanaian SMME owners/managers across electronics, vehicles, pharmaceuticals, processing, software, restaurants, agro-based industries, pottery, and printing. Convenience sampling, a non-probabilistic technique, was used to identify the 374 owners/managers of SMMEs who the researchers believed had the experience necessary for this study, had enough time, and were willing to participate voluntarily (Saunders and Townsend, 2018). Etikan *et al.* (2016) expanded on this and provided arguments for convenience sampling. They assert that when the intended respondents meet specific practical criteria, convenience sampling is a suitable requirement, including being willing to engage in the study, being available at a specific time, being easily accessible, and living close to one another. According to earlier research (Makanyeza and Dzvuke, 2015), only one person in the company (the owner/manager) was asked to complete the questionnaire as they are the ones who usually have the overall information about the business.

Out of the total number of the targeted sample, 350 respondents were retrieved successfully. The five elements of the survey instrument utilised to collect the data were as follows. In a previous preamble, the goal of the study and participant permission were described. Part A gathered broad information about respondents, including their status within SMMEs, their industry, how long they have been in operation, and how many people they employed. Part B used a 7-point Likert scale, with 1 (Strongly Disagree) to 7, to gauge respondents' perceptions of claims about the effect of OL on business success in their SMMEs (Strongly Agree). On a seven-item Likert scale, Part C asked respondents to rate statements concerning how much formalisation encourages OL or restricts the business's SMME activities. On a 7-point Likert scale, Part D captured respondents' perceptions of the barriers to OL in SMMEs and their performance compared to rivals. Each construct is discussed in this section, along with its measurements and sources. Finally, section E, using a 7-point Likert scale, represented the respondent's assessment of the resources required to help enhance OL in SMMEs. The discriminant validity was used to test the validity of the questionnaire using a 5% significance level. The square roots of the AVEs were higher than any other pair of correlation; hence, discriminant validity is achieved, implying that constructs were distinct. Cronbach was used to evaluate the overall reliability of this measuring scale using alpha calculation of internal consistency where alpha evaluated the percentage of the total variance that does not exist because of the error of the scale's reliability. The suggested minimum acceptable reliability level "alpha" is 0.60 according to Hair *et al.* (1998) criterion.

Statistical Package for the Social Sciences (SPSS version 27) was used to analyse the data and analysis methods such as measures of central tendency, correlation analysis, and regression analysis. Inferential statistics such as the Pearson product-moment correlation and linear multiple regression analysis were used to analyse data regarding the research questions. This approach was appropriate because the objective was "to examine the effect of organisational Learning on SMMEs performance in Ghana". The dependent variable, Y , is related to the independent variables X_1, X_2, X_k by $[Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_k X_k + \varepsilon]$ Where the coefficients $\beta_0, \beta_1, \beta_2, \dots, \beta_k$ are to be determined and ε is the error term.

The variables' validity and reliability were examined using a confirmatory factor analysis (CFA) and Cronbach alpha coefficients. The path modelling used by Boso *et al.* (2013) was used to compute all the required fit indexes. Furthermore, the survey was designed in the following manner to optimise the instrument's reliability: 1) Two things were done to ensure the significantly high value of the data: 1) a pilot survey was conducted to assess the reliability of the questionnaire, and 2) each question was carefully worded to eliminate bias and ambiguity. The observed variables underwent a rigorous data screening process before estimating and testing the study's stated models.

Findings and Discussion

The study's objective was "to examine the effect of OL on SMMEs performance in the Western Region of Ghana". To achieve the research objective, the study first examined the relationship of the study variables using Pearson product-moment correlation (Table 1). Pearson product-moment correlation was used to support to measure the degree of correlation there may be between the variables in the study. Secondly, Linear Regression analysis was used to determine the effect of organisational learning on SMMEs' performance. This demonstrates if the relationship is positive or negative, and if it is positive, how strong it is. The interrelationship between the variables is shown in the table below. Regression analysis was performed to establish the impact of OL on SMME performance, as mentioned above.

The value of the SMMEs' performance was achieved by transforming the response from the respondents on both the operational and financial performance. First, all the responses of the study variables (financial performance, operational performance, individual level learning, knowledge sharing, dialogue, participative decision making, managerial commitment, experimentation and openness, knowledge transfer, risk-taking, organisational level learning) were transformed into a single numerical factor (continuous variable). After that, the study aimed to get the numerical value of the SMME's performance. Therefore, operational and financial performance was again transformed into SMME's performance. This SMME performance was used to do both the correlation and regression analysis. However, 11 other variables of the study were also used for the correlation analysis. Both linear regression and Pearson moment correlation were necessary since the first objective was to establish the cause-and-effect relationship of the study variable. The value of the SMMEs' performance was achieved by transforming the response from the respondents on both the operational and financial performance. First, the responses to operational performance were transformed into a single numerical factor (operational performance). The financial performance was transformed as such. After that, the study aimed to get the numerical value of the SMME's performance. Therefore, both the operational and financial performance was again transformed into SMME's performance. This SMME performance was used for the correlation and regression analysis (Table 1 and Table 2).

Table 1: Inter-construct correlations and shared variances (Pearson moment correlation Construct)

Construct	1	2	3	4	5	6	7	8	9	10	11
1 Risk Taking	1.000										
2 Knowledge Transfer	.152**	1.000									
3 Knowledge Sharing	.400**	-.023	1.000								
4 Dialogue	-.057	.035	.086	1.000							
5 Managerial Commitment	.309**	.122*	-.029	.098	1.000						
6 Participative D. Making	-.190*	.172	.048	.215**	-.399**	1.000					
7 Experimentation and Openness	.539**	.277**	.283**	.051	.337**	-.075	1.000				
8 Organisational learning	.188**	.432**	.163*	.237**	-.022	.858**	.354**	1.000			
9 Financial Performance	.357**	-.021	.435**	-.162*	-.030	-.096	.124*	-.019	1.000		
10 Operational performance	.266**	-.060	.238**	.252**	.259**	.220**	-.010	.300**	.331**	1.000	
11 SMMEs performance	.375**	-.052	.399**	.081	.158**	.095	.061	.192**	.771**	.856**	1.000

Note: Values below and above the principal diagonal are correlations and shared same values

Source: Authors' own, (2023).

As in Table 1, all five dimensions except experimentation and openness of organisational level learning have a statistically significant positive relationship with SMMEs performance. This means that the higher owners/managers of the SMMEs perceived the various dimensions of OL positively, the more the organisation's performance increased. The results show that there is a statistically significant positive relationship between risk-taking and organisational performance ($r = 0.375, p < 0.01$), between financial performance and risk-taking ($r = 0.357, p < 0.01$), between risk-taking and operational performance ($r = 0.266, p < 0.01$).

Similarly, there was a significantly positive relationship between knowledge sharing and organisational performance ($r = 0.399, p < 0.01$), knowledge sharing and financial performance ($r = 0.238, p < 0.01$) and between knowledge sharing and operational performance ($r = 0.435, p < 0.01$).

Again, a statistically significant positive relationship exists between organisational-level learning and operational performance ($r = 0.300, p < 0.05$). Moreover, a statistically significant positive relationship exists between organisational-level learning and organisational performance ($r = 0.192, p < 0.05$). However, there is no statistically significant relationship between organisational-level learning and financial performance. The implication is that, when it comes to financial motivation, owners/managers of SMMEs are not willing to sacrifice for OL because most of them believe they solely own the businesses and cannot sacrifice financially whether or not it could contribute positively to the future performance of the SMMEs. This is in line with the assertion from the previous writers that resistance to change has been described as another constraint to organisational learning. It is a multi-dimensional process of how an individual thinks (cognitive), reacts (behavioural) and feels (affective) about the change process (Smollan, 2011).

Openness, experimentation, transparency, and business performance do not appear to be significantly positively correlated. This can be related to Ghana's SMMEs' bureaucratic structure, as bureaucracy is entrenched in organisational structures within Ghanaian businesses (Walton, 2005).

Table 2: Impact of Organisational Learning on SMMEs' Performance

Variables	Unstandardised Coefficient		Standardised Coefficient	Collinearity Statistics		
	B	Std. Error	Beta (@)	Sig.	Tolerance	VIF
Organisational learning	0.046	0.025	0.044*	0.016	0.527	1.896
Constant			0.646			
R			0.593			
R Square			0.597			
Adjusted R Square			0.684			

Source: Authors' own, (2023) * $p < 0.05$, ** $p < 0.01$ (N = 350)

Dependent Variable: SMMEs Performance

Table 2 shows the effect of OL on the SMMEs' performance. Thus, the table indicates the relationship between OL and the combination of financial and operational performance to establish the cause and effect of the variables (independent and dependent). From the Table, OL contributed positively to SMME's performance. OL positively impacted SMMEs' performance ($\beta = -0.044, p < 0.05$). However, it is remarkable to note that the OL, which is an independent variable, contributed a total of 0.597 with an adjusted R^2 of 0.684 to the variation in the dependent variable, SMMEs performance. This indicates that OL can predict or explain 68.4% of the variance in SMMEs' performance. This indicates that independent of the OL incorporated into the model, other variables that are not yet considered have the potential to contribute 31.6 per cent to SMME's performance.

$$[SMMEs\ Performance = 0.646 + 0.046X_1 + 0.025]$$

The coefficients (0.46 for X_1 and 0.25 for X_2) indicate the strength and direction of the relationship between the independent variables and SMME performance. A positive coefficient suggests a positive relationship, meaning that an increase in the independent variable is associated with an increase in SMME performance. Conversely, a negative coefficient would suggest an inverse relationship.

In summary, the results found that all the levels of learning had a significant and positive effect on SMME's performance. In this study, organisational and team-level learning is confirmed to positively and significantly affect SMME's performance, while individual-level learning is not significant. The implication is that when SMMEs are

owned and managed by individuals, there are other factors that contribute to their learning processes and, for that matter, performance. For instance, the researchers observed that most owners/managers considered that their beliefs and religions play a major part in the learning process and that they do not need just OL to improve performance. The individual level is the only construct in this study that does not fulfil a reasonable significance level. However, this construct has no bearing on the analysis's findings because it has a low path coefficient. This finding suggests that team- and organisational-level learning should be given priority since they are more directly related to company performance.

The findings of the empirical study support the previous studies that OL significantly positively and causally relates to the business success of SMMEs in Ghana and may also boost SMME performance as indicated by studies such as Bontis *et al.* (2002), Garcia-Morales *et al.* (2008) and Jiménez-Jiménez and Sanz-Valle (2011). OL will almost certainly increase competitiveness, which is essential for long-term organisational success and development. Organisational turbulence and development have a favourable link. This means that the more a corporate organisation's surrounding world changes, the more important OL becomes. Without OL, there will be stagnation, and the organisation will never adapt to different changes (Gomes and Wojahn, 2017). The findings provide insightful information crucial for SMME owners and managers in Ghana and, by extension, other developing countries. The study firstly indicates that OL is an opportunity for discovery and the mobilisation of resources to seize such opportunities to create value. The learning organisation supports a cycle of entrepreneurial orientation (i.e., selecting opportunities) and the subsequent strategic mobilisation of resources (i.e., human and financial capital) to seize opportunities and turn them into new or enhanced products, processes and services that result in performance increases. Accordingly, SMMEs learn how to effectively use strategic resources, including a finance department, human resource management, and technological know-how, to launch or expand their operations. One of these resources is the ability to spot or generate fresh possibilities. OL is crucial in identifying and documenting the understanding of individuals or groups and creating a foundation for organised knowledge sharing.

Conclusion

The research demonstrates the importance of OL in the changing environments of emerging markets. To improve the SMME's learning capacity, SMME owners/managers should foster their staff's learning orientation and sustain excitement for innovation. This could be done through the creation of a values-based culture since human capital requires ongoing investments in learning and development to retain its value. Many developing nations, including Singapore, Malaysia, India, and Thailand, increasingly prioritise the knowledge economy as part of their overall economic strategies. These nations continuously reform their services to strengthen their independence, competitiveness, and integration with international markets. From a study on the government culture in Malaysia, Kumar and Rose (2012) revealed that employees' ability to share knowledge and innovate is closely related to their ethics and beliefs. Therefore, it is advised that the government of Ghana and other developing African nations adopt OL as a part of their policies. Many studies have acknowledged the association between Organizational Learning (OL) and performance in developed nations, while there needs to be more literature on this topic in Ghana. This study aimed to examine the effect of OL on the performance of Small, Micro, and Medium Enterprises (SMMEs) in Ghana, a developing nation. The study has supported existing research by establishing a positive relationship between OL and performance.

This study has made empirical and theoretical contributions to the understanding of OL. The findings have revealed that the various dimensions of OL have a significant positive relationship with SMMEs' performance. The study argues that SMMEs can enhance their performance by consistently focusing on building their OL. Furthermore, the study suggests that the strong bonds among employees, knowledge sharing, information exchange, and trust fostered by OL can promote innovation in product/service development, process improvement, and finding practical solutions, ultimately leading to improved performance. This study has contributed to OL research by considering the African environment, which has been ignored in recent studies. The results of this study could provide managers of SMMEs in Ghana valuable insights that will assist them in developing strategic ways to succeed in their fiercely competitive business climate. It is advised that the management of SMMEs prioritise creating a positive OL and use the knowledge, connections, trust, and information produced through OL to foster innovation and skilfully handle competitive pressures, thus improving their performance. Additionally, the findings indicate that all dimensions of OL in this study are positively associated with financial and operational performance. This

suggests that SMMEs, despite their limited resources, can implement any OL dimension and still improve performance or achieve sustainable competitive advantage.

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